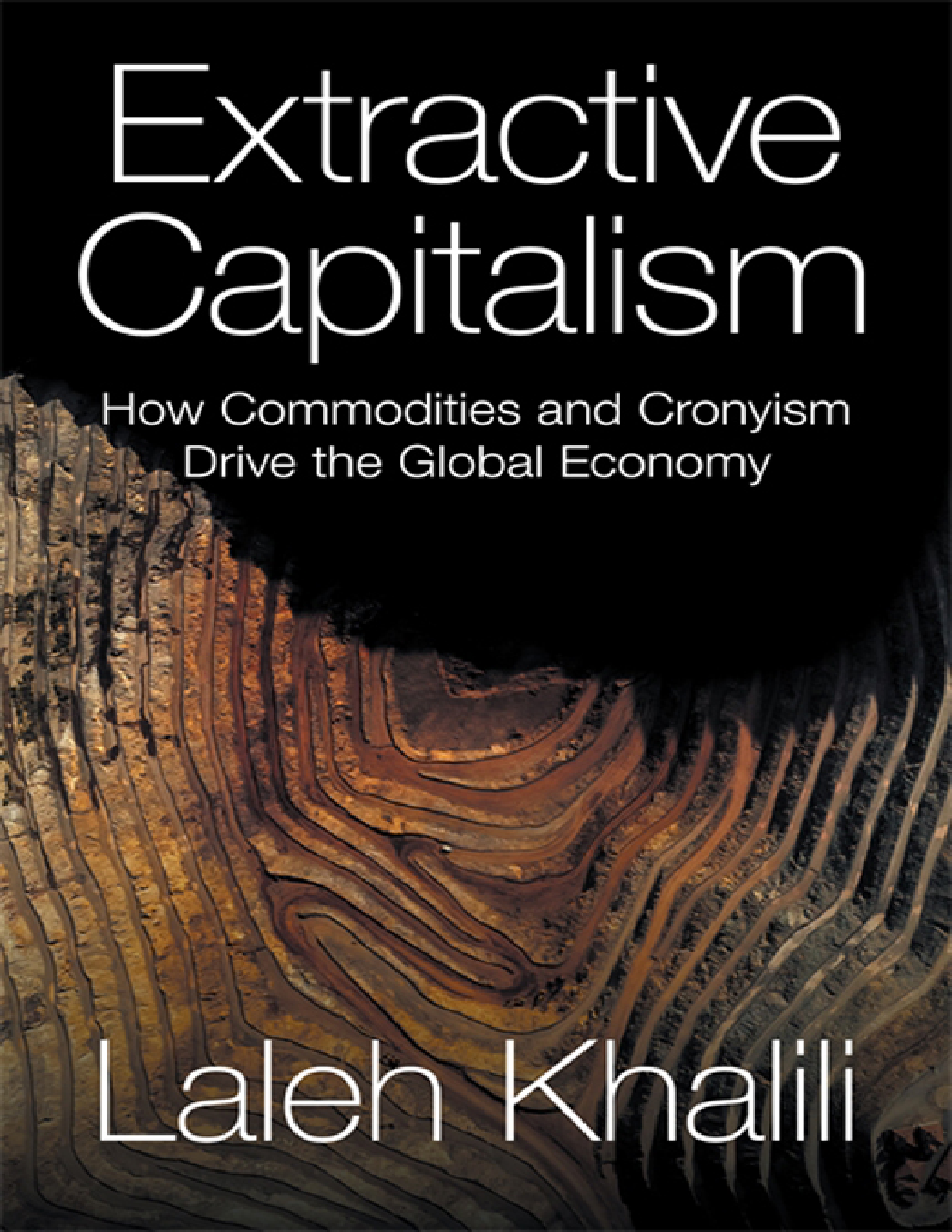
Extractive Capitalism

How Commodities and Cronyism Drive the Global Economy



Laleh Khalili

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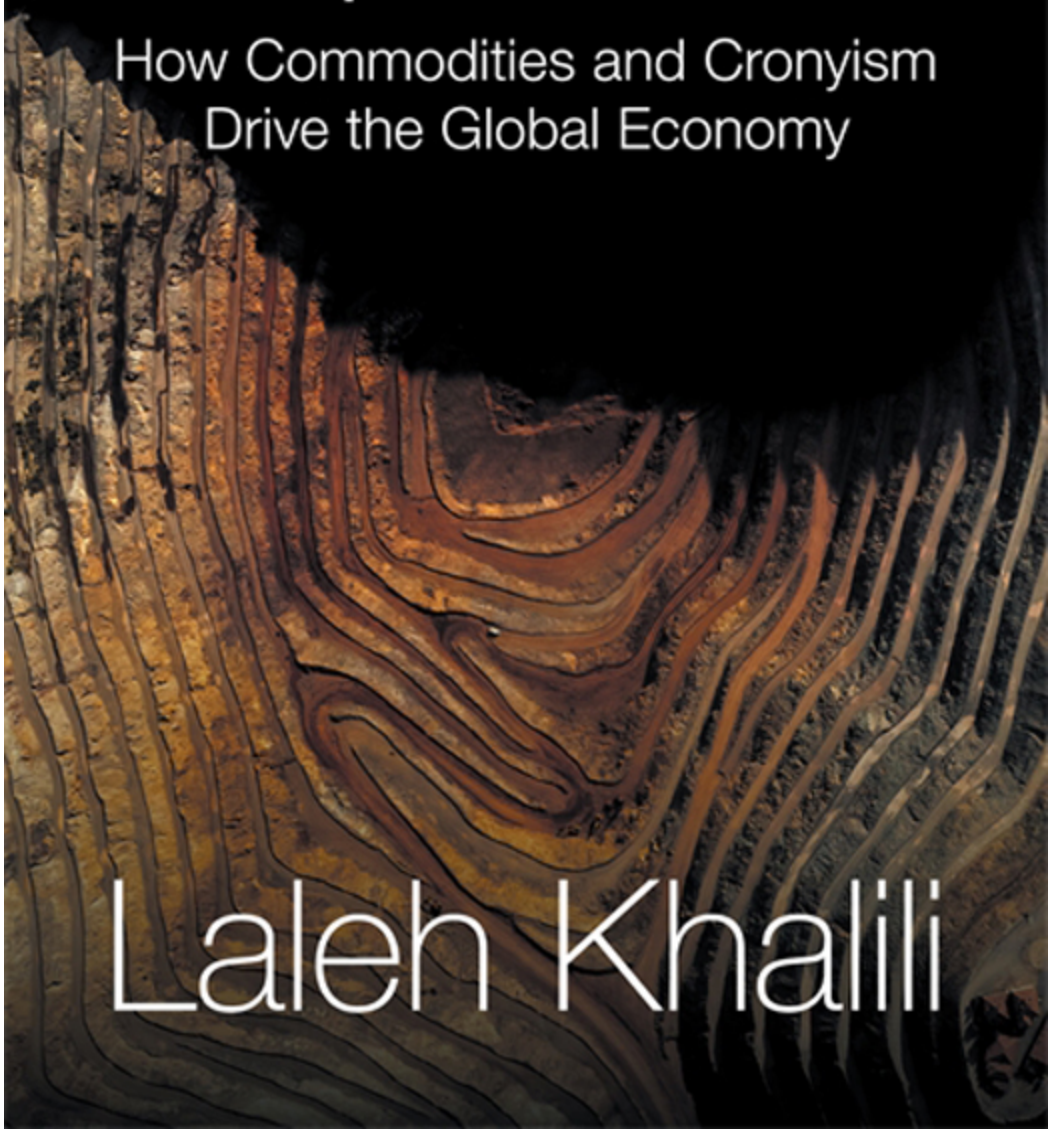

Laleh Khalili

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EXTRACTIVE CAPITALISM

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How Commodities And Cronyism Drive The Global Economy

LALEH KHALILI

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To my beloved Alfred, May and Pablo

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INTRODUCTION

The gleaming cities of capital, the spires of skyscrapers, our handheld devices with access to avalanches of information, data centres that perform the millions of calculations our gadgets require to function, the transportation we take on land and sea or in the air all depend on the extraction of raw materials from the earth. We slash through forests, sink concrete rigs in deep and shallow waters, dig bottomless wells in near and far reaches or fracture the surface of the earth to reach ores and metals, coal, or oil and gas. In his magisterial book *How Europe Underdeveloped Africa*, Guyanese historian Walter Rodney enumerated the mechanisms that have made such extractive economies possible: ‘the most carefully planned structures of interlocking directorates, holding companies, and giant corporations which were multinational both in their capital subscriptions and through the fact that their economic activities were dispersed in many lands’. Multinational corporations, which were some of the earliest tools of colonial control, are at the heart of how extractive industries operate. To understand their inner workings we must peel back their shell companies, their ownership structures, their histories and their contemporary connections.

This book is about extractive capitalism, the global commercial ventures that mine for commodities, trade them across the seas, and channel vast profits from all corners of the world to a narrow pool of investors and shareholders. What is extractive capitalism? Primary commodities like sand, iron ore, bauxite, coal – and of course oil – are excavated, transported,

refined or assayed, and then sold on at great markup. Where labour is unionised and legally protected, the process of extraction is increasingly automated. Where labour – or life – is cheap, many of the steps in the process of extraction are still performed manually. Think of ship-breaking in South Asia or stevedoring in Africa, which still rely on the power of human muscles rather than gleaming high-tech machinery. To understand how our globally and locally unequal world was made, extractive capitalism holds many of the answers.

Petroleum first extracted from subterranean reservoirs and offshore fields of North America suckled the rising US empire in the latter half of the nineteenth century. Starting just before the Second World War and rapidly accelerating after it, oil and gas from the world's faraway continents fuelled the country's economic expansion and military reach. By the end of the 1950s, 65 per cent of the world's oil was controlled by oil companies headquartered in the US. North American (and British) oil majors – 'majors' being the name given to the world's biggest oil companies – paid a pittance for oil concessions that gave them effective sovereignty over not just other countries' resources, but also the political and socioeconomic policies that those countries enacted.

Modern capitalism has its roots in colonialism. The dispossession of indigenous people in Asia, Africa and Latin America enabled colonisers to take control of resources and expand international trade. The enslavement and transportation of millions of Africans across oceans and the extraction of resources gave rise to the global market. The United States in particular depended on the abundance of dispossessed indigenous lands and resources, coercively extracted enslaved labour, and the work of ever-increasing numbers of immigrants as the kernel of its particularly voracious brand of

capitalism. So many of today's business practices, from the management of time and manufacturing lines to modern forms of business accounting, insurance calculations and mortality tables, were devised to facilitate colonialism and chattel slavery. These practices were adapted to an industrial world fuelled and fed first by coal, and later by oil. The discovery of oil – in the United States and abroad – created a whole range of new corporate norms and functions.

The world's logistical networks, enormous and complex transportation infrastructures, as well as fantasies of automating workers out of the picture, have their origins in the tight control of the entire oil production cycle by the British and North American oil majors from the late nineteenth century onwards. In the first half of the twentieth century, the parent companies and earlier incarnations of the 'Seven Sisters' – Anglo-Iranian Oil Company (BP), Gulf Oil, Standard Oil of California (Chevron), Standard Oil of New Jersey (Exxon), Standard Oil of New York (Mobil), Shell and Texaco – worked in tandem to build a cartel controlling the oil industry, with the support of successive American and British governments.

When the Seven Sisters controlled the world's oil reserves, the petroleum that was drawn out from the earth by an Anglo-American company was shipped by its tankers to its refineries on US and European shores, and the gasoline produced was sold in company-branded petrol stations across the world. Other refined products fed factories in the United States that manufactured plastics, industrial commodities, consumer products and electrical and electronic articles. The manufacture and operation of cars, trains, aeroplanes and ships was powered by diesel and jet fuel and gasoline; and they carried passengers, products and US military forces to the four corners of the globe. Along with the products moved by hydrocarbons have come attempts to homogenise and standardise the way

the world does business – methods that favour already powerful countries and disadvantage less powerful peoples and countries.

Extractive Capitalism is about who profits from these processes – and who loses, revealing the uneven apportioning of the bounties arising from oil and other commodities between the exploited and those whose pockets are fattened, both locally and globally. The book is about the seafarers on the container ships which carry our products who are then abandoned at sea by shipping firms, made invisible while we use their cargo. It shines a light on the wildly lucrative worlds of management consultants, commodity traders and insurance brokers. It looks not only at the working of the market in commodities, but also at the rules, regulations, governments, legal tribunals and secretive dealmakers and fraudsters that shape this commerce. It touches on the moments when militaries are marched to frontiers to protect the profits of private firms, and the geopolitical influence of either the United States and its allies or their rivals. And it looks at the costs: the decimation of our cities, the pollution of our waters, the degradation of our earth, our air made unbreathable. Each chapter approaches extractive capitalism from a different angle, and together these pieces form a coherent picture of this secretive and important aspect of global trade in commodities.

As the great Jamaican economist Norman Girvan has observed, the post–Second World War compact between the United States and its European allies only deepened global asymmetries of wealth and power, and served as a catalyst for the rest of the world to demand decolonisation and sovereignty over their own resources. The nationalisation of oil, Girvan writes, was the first time in history that

> some non-industrialized countries had succeeded in securing market power in world trade in their export commodity, and they had used this market power to impose a substantial improvement in their terms of trade with the industrialized West. This rudely disrupted the established pattern of centre-periphery power relations that had governed the economic relationships between the developed countries and the Third World. It also served as an inspiration, a lever, and possibly a financial base for similar attempts by other Third World exporting countries to secure market power in other commodities.

The drive to nationalise resources, Girvan argues, was comparable to the popular mobilisation in the Global South and the revolutions and guerrilla wars raging on the peripheries of the Cold War. The struggle for resource sovereignty threatened the dominion of the North Atlantic world over the resources of the rest of the world, which they had hitherto claimed as their own. From the moment that formerly colonised nations gained a degree of sovereignty over their own natural resources, they have struggled against Western powers to control the extraction of those resources on the global market.

To understand the struggles for resource sovereignty – the euphoric moments of anti-colonial movements and the lamentable disappointment of postcolonial states – one cannot better the life story of Abdullah Turayqi. Beyond the Arab world, if he is remembered at all, Turayqi – whose name is sometimes transcribed as Tariqi or Tariki – is, along with Venezuela's Juan Pablo Pérez Alfonzo, known as a co-founder of OPEC, the Organization of the Petroleum Exporting Countries. As a Saudi minister, he made a favourable impression on everyone he met in the 1950s and 1960s, including US oil company executives and diplomats in Saudi Arabia, who,

despite acknowledging his probity and intelligence, ousted him from his position as the kingdom's first oil minister. Photographs of him from that time show a gorgeous man with a head of salt-and-pepper hair, a rakish smile, intelligent eyes and an air of serene, if mischievous, confidence. He was known to be charismatic, intellectually curious, generous and scrupulously honest. So much so that after his death he left behind no great material inheritance: his eldest son lives in a small flat in Poughkeepsie, New York, inherited from his mother. The 'Red Sheikh' was, and is – unlike the many royals and their cronies who got fantastically rich at the public trough of oil – beloved of the Arab public.

Turayqi was orphaned at a young age, and family members who recognised his intelligence sent him to Bombay to apprentice with a merchant who plied his trade across the western Indian Ocean. He went on to receive his undergraduate degree in geology at Cairo University, where he met a great many peers from the Arabian Peninsula who would become well-known figures across the political spectrum in their home countries. Turayqi continued his education in the United States, where he received a master's degree from the Department of Petroleum Engineering at the University of Texas. After working for The Texas Company (Texaco) for a year, he returned to Saudi Arabia as an employee of the Arabian-American Oil Company (Aramco), then owned by Standard Oil of California and Texaco.

Although Turayqi died nearly thirty years ago, I feel a special attachment to him. He belonged to a generation of young people from the countries of the Global South who, in the decades after the Second World War, inspired by the fervour of decolonisation and revolutionary action, demanded a betterment of the lots of their citizens. They had a range of views and allegiances: from what Frantz Fanon called 'nationalist

bourgeois' to communist. They undertook a technocratic education – in engineering, natural sciences, economics, medicine and the like – in European and North American universities and returned home determined to wrest the control of their natural resources, their government institutions and their social and economic relations from the colonial or imperial Atlantic powers. My father – who had been a child when Iranian Prime Minister Mohammad Mosaddegh nationalised his country's oil in 1951 and was promptly deposed by a British- and US-backed coup two years later – received a doctorate in geology from a European university. I graduated with an undergraduate degree in chemical engineering from the same department where Turayqi had received his master's in petroleum engineering.

Like many of his peers, Turayqi was deeply affected by the racism he had experienced while receiving his education overseas. Upon his return to Saudi Arabia, he encountered the Jim Crow racial hierarchies at work in the Aramco plants and workers' compounds first-hand. He quickly learned the workings of the company, including the mechanisms for expatriation of maximum profit to the United States and the minimisation of payments made to the Saudi Arabian treasury. In 1959, Turayqi became one of the first Arab directors of Aramco, representing the Saudi government. A year later he co-founded OPEC and became oil minister, only to be deposed from his position after fifteen months, having accused the Saud ruling family of corruption. Many years later, in a 1972 essay, he lamented that Arab graduates came back from foreign countries, bursting with ideas and resolve, only to be so thoroughly excluded from the best positions in foreign firms that they became resigned to emigration or the safety and torpor of a government job. After his ousting Turayqi went into exile in Beirut, where he set up a consulting firm to advise oil bureaucrats from

producing states negotiating with European and North American oil companies. He also published accessible Arabic-language magazines to educate the Arab public about oil. These magazines, and Turayqi's articles within them, offer a rich insight into the production cycle of oil and the global structures it generated.

In his writing, oil was not a source of profit but a public good. The vast reservoirs of oil, hoarded by a cartel of seven major Anglo-American producers, he wrote, should be nationalised. Oil revenues were to be redistributed across all borders, whether in producing states or not, to improve public services. Producing countries would control pricing and volumes of oil extracted and sold, thus giving them sovereignty over their natural resources. Control over one's oil would give the states political leverage against colonial and neocolonial powers, including Israel (the famous 'oil weapon'). The focus for state-owned extraction would be on transforming oil into value-added products like jet fuel, plastics or petrochemicals rather than burning it, thus enriching not only the producing states' treasuries but also their technological know-how.

Very little of this has come to pass. Oil has been nationalised, but primarily to the benefit of the ruling elite of the producing states. Borders between oil producers and consumers have hardened and their inequality has only deepened, though the movement of commodities and capital across borders is frequently thought of as 'frictionless'. Despite the brouhaha over the Arab oil boycott in 1973, none of the Arab states reduced their production at that time, nor did any of their target states suffer a shortage of imported Arab oil. National ownership of oil has reproduced colonial political relations, but at regional geographic scale. Only in the early years could OPEC states expect to set prices, and only in the last few years have OPEC states focused on value-added production. Meanwhile, new financial

instruments, new forms of shipping, new standards of accounting and engineering, new rules of arbitration, and expanded markets for arms trading have all been cultivated, so that the flow of petrodollars remains unidirectional. Management consulting firms, private equity and asset management funds and various other financial and business services lubricate the machinery of capital accumulation and deepen the chasms of inequality. Ever-larger shipping companies, in ever-larger ships flagged to offshore havens, make possible the movement of capital and cargo around the globe. Workers on sea and on shore, indigenous communities whose lands lie on the transit routes for polluting commodities, traders and management consultants high on cocaine and fabulous profits, and officious government officials protecting their cronies are all part of this world. In the Middle East, states like Abu Dhabi and Israel, ruled by belligerent militarist governments and dubbed ‘little Spartas’ by admiring US Army generals, not only act as ‘stationary aircraft carriers’ for the United States but also wield their own deadly powers to control near and far regional countries, through arming proxies, laying military sieges and bombing civilian infrastructures. Amid all this, the people who do the work – the merchant seafarers who carry the goods, the oil workers who extract the black stuff from the bowels of the earth, the ordinary people whose lives are affected by the desecration of their environments – are abased and abused, when not wholly forgotten.

The bloodied world we live in is *not* the world of Turayqi’s imaginings.

SHIPPING OIL

Fly over ocean anchorages near the world's largest oil ports, and you'll see a tangle of cargo ships waiting to bunker (refuel), and tankers of all sizes radiating out from the loading buoys, queueing to unload or load their cargo.

Oil ports often – though not always – boast proximity to both tank farms and refineries. These oil facilities are usually visible in their totality only from the air or from the sea, with loading buoys sometimes a mile or more away from the shore itself, and the ships anchoring still further out to sea. Tank farms tend to be hidden behind layers of barbed wire, and strips of wasteland often separate them from nearby roads, villages and towns. These interconnected coastal infrastructures reveal the extent to which the extraction, storage, pricing and sale of petroleum and petrochemical products is not just dependent on how these products are transported across oceans, but is fundamentally defined by it. The politics of maritime circulation are bound up with the asymmetries of power typical in extractive industries: the unbalanced relationship between producing nations and the consumers; between producers of crude and those who refine the oil; between those who work on the ships, tank farms and infrastructures and those who profit from them; among hegemonic leviathans, rising global powers and those struggling against imperial economic arrangements. These asymmetries are hidden behind the security fences and complex jargon of energy and logistics, deliberately made invisible.

But a series of recent events have made the internal mechanics of this clockwork apparatus much more legible, even to those who do not speak the language of capitalist logistics: the Houthi blockade of the Red Sea and the Malaysian boycott of Israeli ships in support of Palestinians, and the stoppages through the Suez and Panama Canals – Suez having been blocked in 2021 by a mega-freighter run aground, and trade through Panama disrupted because of low water levels affecting the canal's lock system. But the most decisive event was the logistical glitches wrought by the Covid-19 pandemic, starting in December 2019.

In late April 2020, an image circulated on social media that looked like a screen capture from a ship-tracking application. These types of apps are commercial products that draw on GPS data and ships' AISs (automatic identification systems) to track the movement of vessels across the oceans. They also provide information about what kind of ships the small markers on the map represent (container vessels, bulk carriers, roll-on/roll-off vehicle carriers, pleasure yachts and the like), what cargo they carry, a history of that ship, and a map of their current route.

The image, which quickly went viral, was a map focused on the Western Hemisphere that showed clusters of stationary tankers along the coasts of Africa, the Americas and Europe. Because so much transportation and factory production had ceased due to the pandemic, the demand for oil dramatically dropped. Simultaneously, a price war triggered by Saudi Arabia against Russia flooded the market with oil. With oil production rising and demand plummeting, landside tank farms and storage spaces began to run at or near capacity. Oil producers and buyers were soon chartering tankers to store oil at sea. By mid-April, the cost of chartering an Ultra-Large Crude Carrier was up to $350,000 per day, double what it had

been a scant few weeks before. Instead of oil being delivered to new buyers and markets, vast quantities of it were in stasis, in tankers at anchor in oil ports around the world.

Under the map's ostensibly static image of ships waiting for a move in the market was another story: that of a historically unprecedented moment when the price of oil plummeted below zero. While the computer screens of the financial systems strobed with the plunging prices of most petroleum products on 20 April, maritime tracking screens traced the paths of tankers gathering in ever-denser clusters near oil and bunkering ports, waiting to load and unload. Ships were anchored along the coasts of Venezuela, the Gulf of Mexico, southern California, Mexico, the west coast of Africa, near the straits of Malacca and Hormuz and all along the shores of East Asia. Although we cannot know whether these ships were simply acting as storage or were in fact in transit, we do know that many shipping companies changed their routes between Europe and Asia as a direct result of the oil glut. When the price of oil – and therefore of ships' fuel – drops, and when ships carrying goods are in no hurry to get to their destination, it becomes cheaper for them to take longer routes. It was more cost-effective for an oil tanker in the Indian Ocean to round the Cape of Good Hope than pay the passage fees for the Suez Canal. Longer routes and 'slow steaming' may add a few weeks to the journey itself, but they save the shipping companies money. These cost savings are balanced against a delay in promised delivery, the possibility of having to wait at anchor before unloading or loading goods, the length of additional time seafarers may have to spend on the ship, and even possible threats to the safety of the seafarers.

I experienced the effects of something like this when travelling aboard container ships, once in early 2015 during a roaring period of global trade,

and once in mid-2016 after a precipitous drop in the volumes of global trade. During the first journey, the ship's captain was ordered by the company to steam at maximum speed through the Red Sea, round the Arabian Peninsula and into the Gulf of Oman. The ship, commanded thus, peeled off from the convoy of vessels that pass through the Gulf of Aden together as a precaution against piracy and hugged the coasts of Yemen and Oman in order to cut a few nautical miles out of the route, at very high speed, consuming huge amounts of fuel. On the second journey, with commerce in a lull, any kind of cargo that could earn some profit was needed, and fuel-cost savings were more important. As such, midway through the trip, a new port was added to the route so as to load a few more containers for carriage, with the ship all the while steaming at very slow speeds.

During the pandemic this logic was writ large, as more than 500 shipping journeys were cancelled between Asia and Europe or the Americas throughout March and April 2020. Those that did traverse their planned routes had reduced numbers of containers and travelled along their routes at extremely slow speeds (sometimes at a quarter of the usual speed). Even ships steaming from the Eastern Mediterranean chose to pass through the Strait of Gibraltar and go round the southern tip of Africa rather than pay the fees for the much more proximate Suez Canal. The Cape route also allowed for economies of scale in the transportation of goods. The canal's depth and width places certain limits on the size of ships passing through it. Suezmax ships are about 275 metres long and have a draught of 12.2 metres – a ship's 'draught' being the maximum depth of the hull and propellors that can safely be below the waterline. The ships now loading crude from the Ceyhan oil terminal in Turkey are Very Large Crude Carriers (VLCCs)

or Ultra-Large Crude Carriers (ULCCs), some with a draught of more than 20 metres and most with lengths exceeding 350 metres.

On the 21 April map, some ships are pointed away from Nigeria or Venezuela and seem to be steaming towards the Cape of Good Hope, presumably on their way to Asia. China imports the vast majority of its oil – 90 per cent of it – by sea, but the country is nowhere near the largest global consumer of oil. The US consumes 20 per cent of all the oil produced worldwide, whereas China only takes 13.5 per cent. The 21 April map cannot, therefore, be taken as a snapshot of the global oil trade, because so much of it happens within borders or without maritime circulation. The US is both an exporter and importer of petroleum. Much of what the US imports arrives through pipelines from Canada or Mexico and is intended for refineries which are configured to process particular kinds of oil produced north and south of its borders: they can take crudes that are heavy or light in density, or sour or sweet – which is to say, containing more or less sulphur. The large number of refineries in the Gulf of Mexico also distinguishes US consumption of oil from Chinese. US refining capacity outstrips that of all other countries – Texas alone has greater refining capacity than all of China – but, more importantly, its refineries produce products like jet fuel or gasoline which are sold at higher market prices than unprocessed crude. As such, US refineries' ability to convert raw commodities to value-added products far outstrips all other countries. Why does this matter for maritime transport?

Those enormous VLCCs and ULCCs that often only carry crude oil depend on extractive economies and trade in raw materials, a hallmark of colonial economic relations. Smaller tankers, by contrast, often carry refined products. So, chartering a broader range of ship sizes indicates how much of a producer's products are sold as cheaper crude, and how much as

value-added product. And if you build an oil port that only exports crude via the largest of ships, then you may not sell more profitable value-added products. Indeed, in the aftermath of the nationalisation of oil in the Gulf in the 1970s, many of the Gulf countries turned to increasing their refining capacity as a means of keeping more profits from value-added products, and through acquiring petrochemical manufacturing technology and know-how. The 1970s nationalisers were not fiery revolutionaries expropriating US or European oil companies, as the more radical nationalisers had been in decades past in places like Iran or Mexico, where they had seized the oil companies outright. They were technocrats from producing nations of the Gulf politely negotiating the buyout of their national oil from North American and European oil majors.

These technocrats understood the benefits of downstream value-added production and control over the circulation of their own products. In a fascinating 1975 *New York Times* account of a failing shipyard in Belfast, a sales representative of the shipyard, 'back from a sales tour of Saudi Arabia, Kuwait, Abu Dhabi and Iraq', laments that, instead of large tankers, the Arabs were ordering smaller vessels to carry refined petroleum products such as kerosene and gasoline. 'They won't need them until four or five years from now,' he said, 'when they will have the refining capacity to make the products.' As Walter Rodney has noted, the emphasis on trade of raw materials, rather than on production of more expensive manufactured goods, privileged traders over producers, delayed technological innovation and led to economic stagnation and intensified exploitation of both humans and natural resources.

Whether producer countries can profit from the full value of their exports or not, economic development is a double-edged sword. Both the production and the circulation of petrochemicals have dramatic ecological

effects. The same shale oil which has, since the deregulation of fracking, boosted the position of the US as an exporter of oil also leads to the devastation of groundwaters and soil in spaces inhabited by indigenous peoples. The indigenous and First Nations people of the US and Canada have been struggling against devastating extractive industries defacing and destroying their lands for centuries. Most recently, however, the Water Protectors of Standing Rock, in the Dakotas, and their Wet'suwet'en counterparts further north have campaigned against the construction of pipelines across their lands. The struggle of the Water Protectors of Standing Rock, however, was crushed by militarised police forces, while the Wet'suwet'en campaign – which included a widely supported blockade of logistical lines – was deferred because of the pandemic, though the blockade has picked up again thereafter. The liberationist indigenous environmental movements of western Canada were countered in the east by a right-wing truckers' blockade of Ottawa against both vaccine mandates and demands for indigenous sovereignty. The right to burn fossil fuels unfettered by regulations was eventually appended to the truckers' initial demands. The environmental degradation wrought by fossil fuels has become – and has already been – a significant point of contention between the left and the right.

Maritime transportation of oil devastates the environment. Tanker transport is responsible for at least a quarter of all oil spills at sea. And aside from catastrophic large-scale oil spills, ship collisions or groundings can lead to the leakage of oil and petroleum products during loading and unloading. On oil-rich coasts around the world, beaches are often strewn with lumps of tar that have formed at sea and washed ashore. Ships can release ballast water in illegal ways, and although ballast tanks and oil or fuel tanks are supposed

to be separate, dirty ballast water, released in unregulated or lightly regulated ports, can introduce dangerous pollutants into the marine environment. Ships also produce enormous air pollution. If they are at anchor for days, even weeks, on end, the chance of their illicit discharge of all sorts of waste will also increase, and their engines will inevitably produce oxides of carbon and nitrogen, sulphur compounds and particulate matters.

The tumbling of global trade, the closure of borders, the historically high unemployment, and therefore plummeting demand for oil wrought by the pandemic all sketched the contours of a changing map for the maritime movement of oil and extractive capitalism, a shifting context that now, five years on from the first lockdowns, is still unsettled. But the real levers of transformation were and are political. In response to the pandemic, businesses consolidated their positions and policymakers rallied around capital to ensure that pandemic-era reforms did not permanently handicap the ability of businesses to accumulate profits. As trade was hobbled, various states such as France and South Korea bailed out their oil and shipping companies. The US maintained its hegemonic role as the greatest consumer and the greatest producer of oil (and, inevitably, the greatest polluter) throughout and after the pandemic. China and India slowly took up the oceans of oil stored at sea as their factories reopened.

The pandemic has midwifed a new era of catastrophe: capital has proven remarkably resilient in the face of crisis, even successive ones. Any real transformation – in how we produce and circulate and consume energy, in who benefits and who suffers from the effects of producing and circulating petroleum and its products – has come and will only come through concerted political action: one that binds the struggle against the

uneven planetary distribution of wealth and power to movements to save the environment.

A WORLD BUILT ON SAND AND OIL

Oil and sand are not often commodities that we talk about together when discussing global trade. The first is the motive engine of industry and transportation, fuel for heating and illumination, the spirit that animates much of global politics. Even when priced cheaply – as I write, the price of oil hovers around $83 per barrel (or around $630 per tonne) – it is considered precious. Humble, ordinary, oft-overlooked sand is, by contrast, the second most consumed natural resource in the world by volume after water. It makes concrete and glass and electronics possible. According to the UN Environment Programme, at least 50 billion tonnes of sand (often measured in aggregate with gravel) are used annually, in contrast with 4 billion tonnes of oil. Yet sand is not often thought of as valuable: its trade is more domestic than global, and its market price per tonne is under $9 in the United States and far less than that in the rest of the world.

But there are similarities, too. While China is the biggest importer of both products, the United States is the world's largest consumer of oil and the third-largest user of sand (after China and Japan). Depending on its market price, crude oil is often the most or second most exported good in the world by value. Today's relatively low prices put crude oil exports in second place, after automobiles. At the end of 2015, the US government rescinded a forty-year ban on the export of crude oil from its shores, and since then the country has aggressively re-entered the global oil market, becoming the world's third- or fourth-largest exporter of petroleum and its refined products, behind – at different times – Saudi Arabia, Russia and

Canada. Despite being the largest oil producer, the US is not the world's largest exporter, because it consumes most of what it produces. The vast majority of the trade in sand is domestic, and the US and China extract the sand they need for construction and industry from their own territories. The world's biggest importer of sand, however, is Singapore, which uses great volumes of the stuff in its frenetic projects of land reclamation.

The two commodities converge in one other regard. Their commodification and trade hold mirrors to global inequalities and ecological plunder. Both are produced over aeons, the one a product of fossilisation of prehistoric flora and fauna, the other the debris of rocks' encounter with wind and water. Both tar and dirt symbolise inferior material. And yet the moment at which they became pivotal to industrialisation and urbanisation, rocks are blasted, wells are drilled to sepulchral depths, rivers are dredged, beaches are bulldozed away to enable the transformation of these natural resources into commodities. The inexorable movement of oil and sand through the veins of global trade tells us about the shapeshifting ways of production, colonial forms of exploitation, and our reckless wrecking of the global environmental commons. Extractive capitalism is about how the commodification of prosaic everyday things affects lives here, now, and half a world away.

If you look around you, you will inevitably see objects, places, things containing sand. Sand is dredged out of a riverbed or a seafloor in one place and poured into the shallows in another place to conjure land out of the sea. Sand and gravel are used to make concrete, today the most widely used building material in the world. Mixed with tar, sand and gravel become asphalt. The silica in sand is extracted to manufacture all grades of glass, as well as semiconductors and integrated circuits used in electronics. Even

hydraulic fracturing, or fracking, requires sand. The urbanisation of the world, the meteoric growth in the production of electronics, and the expansion of the use of glass in everything from windows and fibre glass to screens for automobiles and electronics has increased the demand for sand. But the largest consumer of sand remains the construction industry.

Throughout human history, sand and gravel have been used to raise buildings, pave roads and make glassware. Monumental structures of ancient times – the Great Wall of China, Roman aqueducts and amphitheatres, and ziggurats and pyramids in Mesopotamia and the Americas – used either early versions of concrete (blending some adhesive with sand and gravel) or fired mud bricks made from a mixture of sand and clay. The massive blocks of stone for the pyramids in Egypt were dragged into place on beds of sand. Glass-cutting techniques were employed in the Sassanian Empire in Persia 1500 years ago, and glass windowpanes made from sand quartz and ash were known in Roman Alexandria nearly 2,000 years ago, though they were opaque, small and thick. Until the early modern period, glass panes were – like many other technologies – reserved for elite institutions both sacred and profane: cathedrals, *jami'* mosques and grand administrative buildings. The glorious Hagia Sophia, built in the sixth century, was illuminated by large glass panes in its dome. Urbanisation in the industrial era fuelled an appetite for the sand and gravel needed for the expansion of cities and the roads and railroads that connected them. But until recently, the sand and gravel used for these purposes were almost always mined and transported locally. The exceptions were prized construction materials such as specially coloured marbles and hardwood timber. Transporting such heavy cargo using either human or animal force was costly and slow.

The oceanic transportation of building materials took off only from the fifteenth century onwards, with the colossal expansion of maritime trade that came with colonialism. Sand and gravel were not immediately considered commodities to be traded across the seas; they were shipped around the world only as a side effect of seaborne trade itself. Ships are ‘in ballast’ when not carrying cargo: when not laden, they float too close to the surface of the sea and can list. Ships not in cargo have to carry ballast to sail true.

Before steamships fuelled by coal (which acted as ballast), sand, gravel and shingle were used to balance the weight of the ship. Landscapes were harvested for ballast, which was then dumped on quaysides halfway around the world. The discarded gravel and shingle from the ballast hills were employed in roads, buildings and railroads, all of which underwent continent-wide expansion in Europe and the Americas in the nineteenth century. The trade in sand and gravel as commodities in their own right only began in earnest in the twentieth century. Modernist concrete architecture, with its large windows and the later fashion for glass cladding in ever-expanding cities, demanded a concerted and organised trade in sand. Accidental ballast was no longer enough to feed the world’s hunger for concrete. And when the electronics market became a global industry at the end of the twentieth century, the search for industrial-quality sand became even more urgent.

Not all sand is created equal. The fine sand of the desert, stretching for miles across the arid climates, has been eroded by wind, becoming too uniform in size and too even in shape to make good concrete. Concrete is manufactured by mixing cement with a larger proportion of sand; unevenly sized and shaped grains of sand better facilitate the adhesive effect desired of cement. The grains of water-eroded sand are irregular in shape and

dissimilar in size and thus ideal for making concrete. As the demand for concrete has skyrocketed and technologies for making it have improved in the past fifty years, the world has grown famished for sand. Residential and commercial buildings, agglomerations of skyscrapers and sprawling exurbs all devour concrete. Land reclamation requires pouring dredging by-products, sand and concrete blocks into the sea, creating property *exnihilo*. Islands such as Bahrain and Singapore have pushed their land mass further into the sea through this process. A 2014 *Financial* Times investigative report showed that a secretive investment vehicle owned by Bahraini royals was granted deeds to undersea plots of land; after reclamation these became coveted and expensive ground for the development of luxury hotels and commercial buildings. By some accounts, China has used more cement between 2011 and 2013 than the US did in all of the twentieth century. If concrete requires at least twice as much sand as cement, then the volume of sand involved in producing billions of tonnes of concrete today boggles the mind.

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Over the millennia, oil, naturally seeping out of the earth, has been used as fuel for lamps and heaters and as an emollient for skin ailments. The exploitation of petroleum at an industrial scale began with hand-dug wells in Russia's Azerbaijan region, a decade or so before oil gushers were drilled in mid-nineteenth-century Pennsylvania. The gradual replacement of coal by petroleum as a source of energy took nearly a century and was not linear or decisive, nor is it entirely complete. It was a transformation intimately bound up with the global ambitions of the earliest oil companies. The large-scale extraction of oil in the US was concurrent with the country's rise as a global economic power and with its colonial expansion, both across the

west of the North American continent and in the Caribbean and the Pacific. On the other side of the Atlantic, Britain's control over vast coal reserves drove industrialisation and fuelled the colonisation of enormous expanses of Asia and Africa. Though Britain did not try to control oil production at first, its commercial fleets were the largest in the world, carrying other countries' petroleum across the oceans. As British coal production gradually declined in the first half of the twentieth century, Britain consolidated power in the Middle East by eventually gaining control of oil production there. For a time, using oil, rather than coal, as the fuel for its ships also extended Britain's long-standing maritime mastery.

Outside the United States, oil was most abundant in places where the great powers had already asserted claims to dominion: the southern Caribbean, contested by both the US through the Monroe Doctrine and by the British Empire; in the Caspian Basin, where strategic inter-imperial contests gave way to anti-Bolshevik activities by Euro-American powers; and the Persian Gulf and South East Asia, where Britain (and later the US) held sway. In all these places, the exploration of oil was intimately bound up with colonial regimes of labour exploitation and an international colour line that facilitated them.

The magisterial *Cities of Salt* (1984) by the late Saudi author Abdul Rahman Munif is a petro-novel that richly describes these global hierarchies, and which gives us a rare peep behind the barbed wire and high fences of the oil industry. Incorporating magical realism, satire and folk-story tropes – and portraying a cast of hundreds of Arabs, Americans and Europeans – Munif mines invisible and forgotten tales of oases destroyed, dissenters assassinated, strikes broken, and potentates and technocrats bought by oil companies. This is a world of exploited workers and engineers trapped in pecking orders shaped by race and geography. The

Americans of his story are the masters to whom even the local emirs and dignitaries pay obeisance. After them come the Europeans, and below them are the English-speaking skilled Arabs, mostly from other lands. The men who do the gruelling menial work are the Arabs who were formerly fishermen and pastoralists and whose autonomy has become hostage to wage work.

As an account of extractive industry, in its early years and today, *Cities of Salt* is completely veracious. Such racial ordering of labour remains in force aboard the massive tankers that trade in oil today. While seafaring crews hail from the Global South (largely from the Philippines), the officers are often Russians or eastern Europeans, and officers and crews are paid radically different wages based on their countries of origin. The stratification of labour has been exacerbated by the emergence of ‘open registries’, or what the International Transport Workers’ Federation calls ‘flags of convenience’. These registries allow for offshoring of ships’ legal frameworks in havens where labour and environmental regulation indulge the shipowners. Many more tankers than container ships are flagged to open registries, in part because the very history of flags of convenience was forged in the oil trade, and in part due to the market fragmentation of the tanker trade, making it more vulnerable to profiteering.

The trade in oil under flags of convenience was considered such fertile ground for profit that after the end of the Second World War, when Greek shipping magnates cornered the market on oceanic transportation, the cleverest (or most unscrupulous) of them, Aristotle Onassis, bet everything he had on oil tankers. While his Greek rivals were buying up bulk carriers, suitable for transporting ore and grain, Onassis bought decommissioned oil tankers from the wartime US Transportation Command at a steep discount and commissioned new ships with novel – if somewhat shady – methods of

finance, deploying them all to transport oil to countries in desperate need of fuel to fire up post-war reconstruction and development. Doris Lilly, one of his many biographers, hinted at another reason why oil tankers were such a good bargain for Onassis. Even in the earliest decades, tanker loading and unloading was a far more automated process than loading dry-cargo ships. You needed pipes to carry oil to the ship that were capable of latching on to the vessel's holding tanks, and valves and sensors to gauge how full the hold was, but you only required a handful of workers to manage the whole process. Loading bags and pallets required far too many stevedores at the docks, many unionised, demanding fair wages and safe working conditions. Reducing the number of workers at the docks, Onassis likely reasoned, reduced the possibility of worker resistance and increased the efficiency of loading and unloading.

Onassis's astonishing rise through the prosperous ranks of global tycoons gave him a confidence that only one of the world's wealthiest oil companies could deflate. In the 1950s, Aramco, a subsidiary of Standard Oil of California (later Chevron), had a concession from Saudi Arabia for the production of oil, but its agreement did not specify the terms of export. Onassis attempted to subvert Aramco's monopoly over oil transportation by lobbying the Saudi government for an exclusive concession to ship the country's oil. This was too much not only for Standard Oil but also for other de facto masters of oil in the region. For a time, fear reigned that Saudi Arabia might follow Iran's example and nationalise its oil. Why else would it want an independent tanker company? A motley group of concerned actors – from the CIA and the Dulles brothers to Her Majesty's Government in London and another shipping mogul, Stavros Niarchos – came together to defend Aramco against such impudence. Onassis's ships were boycotted by all oil companies, including Aramco's rivals. Diplomats and spies flew

to Riyadh to lobby the king to withdraw Onassis's concession. As a last resort, Aramco lodged a case against Saudi Arabia (and by extension, Onassis) in a commercial arbitration tribunal in Europe. A powerful group of European and US jurists ruled against Saudi Arabia and declared that its oil-production concession agreement had given some measure of sovereignty to Aramco. It was a decision that defended the rights of powerful Western corporations against countries from the Global South asserting jurisdiction over their own oil and control over the operation and management of their own trade. For a time, the supremacy of the Western oil companies was restored.

Such strong-arm tactics were not new. These methods have long been in effect in extractive industries. Some combination of trade boycott, commercial arbitration and violent intervention had already been used in attempts to bring intransigent nationalisers of oil to heel. When the Soviets nationalised Baku's oil companies (including that of the Swedish Nobel family) in 1920, it triggered a dramatic decline in Azerbaijan's share of the global oil market. Mexico's nationalisation of oil in 1938 moved Western oil companies to stipulate that all future concession contracts – not just in Mexico but worldwide – should be arbitrated in international courts, a convention which benefited Aramco twenty years later. Iran's nationalisation of the Anglo-Iranian Oil Company (later BP) in 1951 led to a shipping boycott of Iranian oil and a violent British- and US-engineered coup d'état to replace the nationalist prime minister Mohammad Mosaddegh. Indeed, much of the nationalisation of oil companies in the Arab oil-producing states in the 1970s only became possible after those states made exorbitant payments to the former owners of their oil industries, and gave these foreign firms political and financial guarantees to remain primary investors in the new oil industries. Once Middle Eastern oil was

nationalised, a press and political campaign began in the North Atlantic countries to portray OPEC as the villain holding the world to ransom. The old stories of Western oil company depredations were forgotten, except in those places where the violence they had brought had indelibly reshaped politics and everyday lives. As Pablo Neruda wrote in his poem about Standard Oil nearly eighty-five years ago, the trade in oil transformed indigenous lands into ‘a million-acre mortgage’ and forged a malign traffic in ‘countries, people, seas,/ police, county councils,/ distant regions …’ These changes proved durable.

The international trade in sand, too, is rife with these kinds of manipulations, extortions and abuse. In late 2016, reporters from the *Phnom Penh Post* noted a discrepancy in Cambodia’s trade with Singapore: the latter’s customs records showed $750 million worth of sand imported from Cambodia, but the government of Cambodia reported exporting only $5 million. Cambodia had banned the unregulated export of sand in 2009, and so the difference between the two amounts indicated the misreporting of illegally stripped sand dredged from Cambodia’s fast-depleted rivers.

Smuggling and illegal sand-mining in the beaches and rivers of the Global South works a bit like piracy. People whose livelihoods are destroyed by exploitation and debt work for a pittance to haul away sand from their own places of habitation. They are paid by corporations and businessmen in air-conditioned offices far away from the sites of despoliation. The profit margins are widest when the cheap sand is alchemised into a desirable commodity on the global trade circuits. Countries with long coastlines and rich riverine topographies have become prey to other states and their own profit-seeking businessmen ravening for sand. Legal and illegal miners have stripped the rivers of Myanmar and Cambodia of their sandy riverbeds and sandbanks, dramatically changing

their flow patterns. The modified quality and volume of the sediments in such rivers make previously bountiful ecosystems inhospitable to agriculture and fishing. Turbulence in sand-poor rivers erodes riverbanks, destroys infrastructure such as dykes and bridges, and submerges riverside villages. Beaches in Senegal, Sierra Leone and Morocco have disappeared overnight as bulldozers and trucks load their sands for use on other shores. Indonesia, an archipelago of between 17,500 and 18,500 islands (the actual number is a matter of dispute), has seen whole sand atolls disappear through illegal mining. Environmental scientists Orrin H. Pilkey and J. Andrew G. Cooper enumerate the effects of such mining in their book *The Last Beach* (2014): shorelines wearing away, destruction of coastal fauna habitats, eradication of dunes and the flora that grow on them. Coastlines are more exposed to rising sea levels, tsunamis, hurricanes and the natural roiling of the seas in storms. Building dream palaces of capitalism in one corner of the world leaves another bereft of its beaches and agricultural fecundity.

Illegal sand-mining has other casualties – not only those whose ecosystems are destroyed but also the activists who try to halt the business. In Asia and Africa, farmers and fishermen turned grassroots activists have been intimidated, beaten and shot. In May 2017, Niranjan, Uday and Vimlesh Yadav, three members of the same family, were killed by gangsters illegally lifting sand from the banks of a river near their village of Jatpura in the eastern Indian state of Jharkhand. In June 2018 in Gambia, police opened fire on protesters demonstrating against sand-mining, killing two: Bakary Kujabi and Ismaila Bah. Many other assassinated activists remain nameless. Whether killed by smugglers or by the police, dead activists are a harbinger of eco-wars that will only intensify as extractive capitalism gnaws on the body of the earth. Oil also stars in this story of the assault on

the global commons, and some of its production now requires large volumes of sand.

Fracking is a method used for extracting petroleum from shale rocks. During fracking, highly pressurised water is pumped through the rocks to fracture them; the water carries thousands of tonnes of sand into the fractured rocks to prop their fissures open. Shale oil then flows through the porous sand into extraction conduits. Unlike the sand used in concrete, so-called ‘frac’ sand is uniform in size and spherical in shape, and can be mined only from specific sites where epochal geologic events have created homogenously hardened grains. In the US, which is both the largest producer and consumer of frac sand, the best deposits are found in the Great Lakes region. After extraction, frac sand goes through complex cleaning, drying and chemical treatment before it is let loose on shale rocks.

This new application for sand also signals another major transformation in global trade: the rising importance of shale oil as a share of the market in petroleum. In 2017 the US posted a notable increase in its oil output (up 690,000 barrels per day), compensating for a significant decline of Saudi Arabian production (down 450,000 barrels per day). It is thanks to the increase in fracking and shale oil that the US has surpassed both Saudi Arabia and Russia in its annual extraction of petroleum. Fracking now yields half of all the oil produced in the States. Already this newer method of bringing oil to the surface is disrupting the lives of indigenous peoples, changing labour regimes and endangering local ecosystems.

Should the Keystone XL Pipeline ever be completed, it will connect the oil sands of Canada to refineries on the coast of the Gulf of Mexico, picking up oil from the shale fields of the Midwest along the way. The pipeline’s US route avoids predominantly white cities and instead bisects Sioux tribal

reservations. At every step its construction has been challenged by the aforementioned indigenous communities and their allies. The Water Protectors of Standing Rock, the Wet'suwet'en First Nation and other activists throughout North America have contested the construction of the pipeline across the Midwest. Their movement to protect their lifeworlds against the ecological disasters the pipeline occasions – and has already engendered – has attracted hostile overt and undercover police action, corporate mercenaries and business spies who have tried to intimidate and divide the movement from within. And, as we've seen, they have faced direct confrontations with US and Canadian military and police alongside private security firms. The struggle is against not only the pipeline but also the explosive growth of a shale-oil industry that is a bonanza for unscrupulous modern-day prospectors and a disaster for the indigenous communities whose lives and environs are ravaged.

Constructing pipelines through domestic landscapes demands changes in titles to property, or sometimes even expropriation of private or common lands. Routes crossing national borders become hostage to international conflict and may even generate such conflict themselves. Aramco's Trans-Arabian Pipeline (TAPLine) was the biggest pipeline in the world when it was completed in the late 1940s. It was constructed by US engineering company Bechtel between the oilfields of eastern Saudi Arabia and a Mediterranean terminus at Sidon in Lebanon. When the government of Syria resisted the passage of the pipeline across its territories, the CIA facilitated a convenient coup d'état by the Syrian army chief of staff Husni al-Zaim. The pipeline was then built through Syrian territory, even as the coup set in motion fifteen years of upheaval, coups and counter-coups in the country. Zaim was himself deposed and executed only four months after taking power. After the Six-Day War in 1967, conflict over transit fees and

the Israeli occupation of the Golan Heights halted the transportation of oil in the TAPLine beyond Jordan, leaving the segments in Syria, the Golan Heights and Lebanon inoperative. When Jordan supported Saddam Hussein's invasion of Kuwait in 1990, the Saudis terminated the flow of oil through the TAPLine altogether. By then they had built a pipeline from their oilfields on the coast of the Persian Gulf to terminals on the Red Sea, bypassing the contentious Hormuz and Bab el-Mandeb straits. Violence has haunted not only the maritime trade of oil but also its flow through pipelines.

What makes the trade in oil so akin to the trade in sand is that these forms of extractive industry in one corner of the world shape politics near and far. International trade affects each country differently, but it does have global consequences. The United States' protectionist terms of international trade lay bare the scaffolding of US global economic power. This economic supremacy is always defended by the country's coercive might, whether on protectionist or free-trade terms. Ultimately, trade has only ever been truly 'free' for those countries whose economies were large and powerful enough to have a significant head start and advantage over their rivals. The effects of global inequalities are felt not only between different countries but within them. As shale oil seeps into groundwater and hydraulic fracturing generates earthquakes, as stores of sand and silt and gravel accumulated over millennia are expropriated for yet more electronics and yet more skyscrapers, trade facilitates the upward distribution of social goods held in common both locally and globally. One measure of how contentious this purloining from the commons has become is the breadth, depth and violence of the struggles to preserve our waters, our riverbeds, that last beach.

WE BLITZED IT: THE WORLD OF OIL

The #IdleNoMore movement against Keystone XL began in December 2012. Three years later there were more protests, this time against the construction of the Dakota Access Pipeline, which crosses the Standing Rock Sioux reservation. In 2020 blockades halted work on the Coastal GasLink, designed to carry natural gas across the Canadian Rockies to the Pacific coast for export to Asia, and passing through unceded Wet'suwet'en territory in so-called British Columbia.

These protest movements, often led by indigenous women, made radical claims not only about the stewardship of land, water and air and the protection of indigenous sacred sites, but also about the origins of property, sovereignty and justice. They questioned notions of unrestricted growth fuelled by hydrocarbons. The protesters were imaginative in strategy and language, drawing on symbols, myths and rituals to bring attention to the cause. In Sioux cosmology the Dakota Access Pipeline was a great Black Snake wreaking destruction – but also uniting indigenous nations, and sparking an epic battle to protect Grandmother Earth.

The indigenous nations' protest camps attracted activists from across the continent, who were met with extensive corporate surveillance, state monitoring, and violence. Oil companies and state and federal governments hired private armed security with experience of fighting in Iraq and Afghanistan. The water protectors, as the protesters called themselves, secured legal injunctions at various stages of the projects and their fight became a political bellwether. Obama withdrew the permits for Keystone

XL, then Trump restored them a few days after his inauguration. But the protests and court cases continued, and on his inauguration day Biden again withdrew the permits for Keystone XL. But none of this stopped the industry's rapid growth. It was in 2017, during this period of protest, that the US overtook Russia and Saudi Arabia to become the world's biggest oil producer.

According to BP's *Statistical Review of World Energy*, in 2021, just before the sanctions further reduced Russia's production levels, the US produced 16.6 million barrels of oil per day, with Russia and Saudi Arabia at 11 million barrels each. In 2023, the numbers were 13.3 million for the US and 9 million for both Russia and Saudi. The US is also the world's biggest producer of natural gas, but it doesn't consume all of it. After the sabotage of the Nord Stream pipelines between Russia and Europe in 2022, the US is now the world's largest gas exporter too. The boom in shale oil in North Dakota and in the Permian Basin in Texas between 2010 and 2015 caused an astonishing 1 per cent rise in US GDP. But the boom proved fragile and an oil price war between Russia and Saudi Arabia on the heels of Covid-19 staunched the shale producers' cash flow.

The price war had another significant, and unprecedented, effect: it drove the price of West Texas crude below zero. This is what happened: in March 2020, as Covid-19 spread around the globe, with factories and ports in China already shuttered, the worldwide demand for oil dropped dramatically as people stopped driving and flying. As demand fell, OPEC called on Russia to observe a general cut in production. When Russia rejected the request, Saudi Arabia set a price war in train by announcing a discount of between $6 and $8 a barrel for its European, Asian and American customers.

The price of oil follows three benchmarks: Brent, West Texas Intermediate and Dubai. Each benchmark acts as a price reference for a different grade and quality of oil, each of which has different densities, impurity levels, and uses, and therefore different values in each market. Brent sets the price for light North Sea crude, and since offshore petroleum is easy to transport by ship, it's the main measure of market prices in many parts of the world. West Texas Intermediate, which is distributed by pipeline across the US and Canada, sets the domestic price of oil in the US. Dubai is the reference for heavier oil from the Persian Gulf, mostly for the Asian market. Although the benchmarks track the current (or spot) price of oil, they are affected by the far more financially significant forward contracts, whose rise and fall are reflected in spot prices. Futures and options contracts take into account political, economic, climatic and social risks in calculating the future price of a commodity, and their existence allows speculators to wager on the direction of futures prices via derivative financial instruments. The number of futures and options trades in energy on the New York Mercantile Exchange can reach 1.5 million contracts a day, with each contract representing 1,000 barrels of oil: orders of magnitude more than the 3 to 5 million barrels a day produced in West Texas.

In spring 2020, even though the price was falling, oil was still being pumped out, since it's difficult to shut down an active well without damaging its capacity to produce. Commodity traders took advantage by buying the oil cheap and storing it in tankers at sea. The lower the price fell, the higher the charter price of hydrocarbon carriers rose, and, as the viral AIS map of the Atlantic would soon show, even old rust buckets were brought out of mothballs. In the US, meanwhile, pipelines were still carrying oil to storage facilities in Oklahoma that were already near

capacity, and on 20 April traders began to dump their futures contracts rather than take delivery of oil they had nowhere to store. In Benfleet in Essex, a dozen independent traders assembled by a pit trader known as ‘Cuddles’ forced the price crash by flooding the futures markets at the rate of 153.5 contracts a minute. The price of West Texas Intermediate plunged to –$37.63. When it recovered to $10 the next day, the Essex Boys, as Bloomberg dubbed them, made $700 million. Court records show the jubilant traders celebrating their windfall on WhatsApp: ‘We pushed each other so hard for years for this one moment … And we fucking blitzed it boys. Please don’t tell anyone what happened today lads.’

Futures contracts for oil are a relatively recent innovation, introduced in 1983 and 1986 for West Texas Intermediate and Brent respectively. Financialisation of the trade in hydrocarbons followed hard on the heels of the nationalisation of Middle Eastern oil during the 1970s and the price shocks brought about by the Iranian Revolution in 1979. Both events destabilised European and North American oil companies, alarmed governments and triggered the rise of private commodity traders. The commodity trade unravelled the vertical integration of oil production and sales; and financialisation – unmooring trade from the physical delivery of the commodity – helped to make up for the Euro-American loss of ownership of oilfields. These traders and financiers play a pivotal role in the business of extraction, and understanding their work is crucial if we want to understand why money always flows *away* from the workers and countries who actually produce the oil.

Oil was a constant presence in my life when I was growing up in Iran. Petroleum was the engine of Iranian history in the twentieth (and twenty-first) century: from the British usurpation of the Iranian national patrimony

with the establishment of the Anglo-Persian Oil Company (APOC) in 1909, to the British- and US-engineered coup that removed Mohammad Mosaddegh from power in 1953, to the Iranian Revolution and the subsequent Iran–Iraq War, to current sanctions on the sale of Iranian oil. We were taught in school that APOC (later AIOC – the Anglo-Iranian Oil Company – and eventually BP) paid more in taxes to the British government than it did in rent to Iran's treasury. Mosaddegh's nationalisation of the company in 1951 – thirteen years after the nationalisation of Mexican oil and five years before Egypt's nationalisation of the Suez Canal – catalysed efforts by nationalist diplomats and bureaucrats from the Middle East and Latin America to demand sovereign rights over the petroleum and other primary commodities extracted from their territories. As Christopher Dietrich argues in *Oil Revolution* (2017), nationalisation of oil by anti-colonial leaders 'set off the most concentrated non-violent transfer of global wealth in human history'. It was a 'transformation of the political landscape of international capitalism'.

British and US intelligence agencies worked hard to reverse the nationalisation of AIOC, fearing it would prove contagious. Europe and the US boycotted Iranian oil, with tankers carrying it detained by the Royal Navy. BP took Iran to the International Court of Justice at The Hague. In the summer of 1953, Ann Lambton, an Orientalist who worked for my former employer, the School of Oriental and African Studies, provided cultural 'services' to the British government on how best to sow division in Iran. BBC radio programmes transmitted secret codes to British proxies in Tehran, and the CIA agent Kermit Roosevelt, grandson of Teddy, delivered suitcases of cash to the leaders of the coup against Mosaddegh. The shah, who had escaped to Italy with his glamorous but soon to be discarded second wife, Soraya, returned to Iran triumphant, but paranoid about the

wobbliness of his throne. With the aid of the US, he went on to construct a repressive petrostate. He negotiated a concession with a consortium of European and US firms which acquired AIOC's oilfields and production facilities. It took nearly two decades, and the shah's megalomaniacal competition with revolutionary OPEC ministers elsewhere, to wrest a better deal out of the consortium.

Twenty-five years after the coup, the Iranian Revolution was in part a revolt against the regime the coup had forged. The National Iranian Oil Company workers' strike in the cataclysmic autumn of 1978 strangled the government's foreign revenue flows and set in motion skyrocketing global petroleum prices that continued to rise for the next two years. Locally, the strikes translated into fuel shortages, electricity blackouts and illegal protests during curfews, when people would climb to the rooftops and shout slogans under the cover of darkness. From the moment it became clear that the revolution had succeeded, in early 1979, the state was subjected to sanctions and other external pressures, with oil boycotts the most frequently wielded weapon. The Iran–Iraq War that began in 1980 was sparked by Saddam Hussein's desire to control the massive oilfields that straddle the border between the two countries. He was supported by the Gulf monarchies (which feared revolutionary contagion), by the French (who provided Iraq with Exocet missiles), and by Britain and the US (who turned a blind eye to Iraq's use of chemical weapons).

Through all these years, oil shaped our fate and our quotidian life. My father was a petroleum geologist. Like so many of his generation, he acquired his techno-scientific education because he believed in the possibility of transforming an independent Iran into a richer, modernised and fairer country. My own first degree was in chemical engineering at the University of Texas, where the petroleum and chemical engineering

courses, sponsored generously by the oil majors headquartered down Interstate 10 in Houston, taught us how to add value to that viscous, smelly slime spurting out of the parched ground and sub-sea reservoirs of our homelands. As a ‘summer engineer’, I interned in the ‘front of the house’ at the Amoco Chocolate Bayou plant near Alvin, south of Houston. The plant received hydrocarbon products from the nearby Amoco refinery and produced olefins, the feedstock used to manufacture plastics. The plant was acquired by BP in 1999.

When I heard about a catastrophic explosion at the site in August 2005, I wondered if any of the laconic union men in the ‘back of the house’ I had known fifteen years before had been injured (thankfully, they hadn’t). But only a few months earlier fifteen workers had been killed when a BP refinery in Texas City blew up. The middle-aged men I had known at the Chocolate Bayou plant were funny and warm. They knew how things worked better than the summer engineers – of course! – and joked with us in their broad Texas drawl about everything from our personal-best running times to Oscar the alligator, who lived in the water filtration pond.

The oil world I inhabited brought together geopolitics and the everyday. It was material, dirty, bloody and wracked by wars, coups d’état and revolutions. It was a world wrought by political struggle on the streets and at the diplomatic table. Corporations, universities and security apparatuses all had a finger in the pie. And, along with the people who worked the oilfields and filled the streets during demonstrations, they changed the world in perceptible ways – sometimes suddenly and monumentally, as when Middle Eastern and Latin American leaders negotiated better oil deals for their countries; sometimes gradually, through a series of unintended consequences.

Mainstream accounts of how oil pulsates through the veins of global politics tend to focus on policy, global powers and the slow movements of macro-history. This type of story ascribes the rightward shift in the US and Britain to the cataclysmic changes enacted by the nationalisation of oil in the 1970s. Until that moment, Western Europe was dependent for energy on Britain's protectorates in the Gulf; ever since then, it has been dependent on the US for the maintenance of the supply of oil worldwide. The ideological and material competition between the Soviet Union and the US during the Cold War has transmuted into a contest between Russia and America over oil, played out on the battlefields of Iraq and Syria as well as in foreign policy more generally. The introduction of hydrocarbon-thirsty China and increasingly unbiddable Arab client regimes into the mix has encouraged America's desire to ramp up its production of hydrocarbons: by achieving global energy supremacy the US has maintained its standing as the world's most powerful state.

Concurrently, in this account, the breakdown of the Bretton Woods order and the emergence of China as a global capitalist power have shaped the behaviour of central banks since. Europe's desire for free-flowing capital and a stable arrangement to replace Bretton Woods eventually led to the creation of the eurozone, while China's economic rise was one of the precipitating factors for the crashes of 2007 and 2008. Both events reshaped the global financial sphere. In response to the oil price surge of 2011, when Brent prices averaged more than $100 per barrel, the European Central Bank raised interest rates, while the US Federal Reserve and the Bank of England held fast. This may have been a reason that Britain became an 'employer of last resort' for some European countries. The divergence between the eurozone and the UK led to the large-scale migration of

Europeans to work in Britain, contributing to the political pressure that led to the Brexit referendum.

In this Eurocentric account, these two processes – the creation of the eurozone and the rise of China – have led to the long-term decline of democracy in the US, Britain and Europe. The energy crisis of the 1970s on the heels of nationalisation exacerbated inflationary pressure, brought down social democratic governments, and led to the removal of international capital controls. Globalised and financialised economies in turn eroded the welfare state, weakening democracies at every turn. In Europe and the US, a politics beholden to the interests of capital – debt and credit, migration flows, free-trade agreements, austerity measures and other economic requirements – has made the word ‘democracy’ all but meaningless.

These mainstream and Eurocentric accounts give far too much geopolitical salience to Russia, and understate the influence of many oil producers or European countries beyond the economic behemoths. China is discussed mostly as an economic engine, not as a significant actor on the global stage; Africa – other than the countries sweepingly included under the rubric ‘Middle East and North Africa’ – is an afterthought, if mentioned at all. But great-power politics is not the only engine of global transformation. Geopolitics is never untethered from political struggles and the world’s prime mover isn’t located somewhere in the middle of the Atlantic Ocean, even if so much malignant power has emanated from Europe and the United States. Oil, money and democracy aren’t always about the calculations of a few powerful governments. Oil companies matter: state-owned national firms; BP, Chevron, Exxon and Shell; and the independents working in shale and funded by private equity firms. So do distant financiers who manipulate the price of oil and other commodities from nondescript suburban offices oceans away. The many tens of

thousands of workers and activists who have fought for what the historian Tim Mitchell has called ‘carbon democracy’ matter. Diplomats and ministers nationalising oil, struggling for sovereignty and fighting colonial impositions in rigged commercial tribunals matter. Revolutionaries and striking oil workers in the Middle East and beyond matter. The union men working in dangerous petrochemical plants on the US Gulf Coast matter. And the indigenous communities protesting against pipelines slashing through their sovereign territories also matter. They matter to the argument not just because of a moral calculus around labour, or colonialism and decolonisation, or popular mobilisation, or the guardianship of the environment – though also that – but because these forces have changed the course of history in a million different ways.

HOW TO GET RICH: COMMODITY TRADERS

Rotterdam city centre sits some twenty miles inland from the North Sea, its skyscrapers and office buildings lining the New Meuse River, an arm of the Rhine. A ferry tour takes you past ship repair yards, grain silos, terminals receiving coal and iron ore for Ruhr Valley industries, and even a massive orange juice storage facility that receives its cargo from Latin America. If you want to see the biggest container terminals, however, you have to go on the longer tour offered only during the summer. It takes you up the New Meuse and out to sea, where land reclamation has created extensive breakwaters around the port's deepest harbours. Out here vast loading cranes loom and white blisters of oil depots flank refineries operated by Shell, ExxonMobil, Koch, Gunvor and BP. The depots are owned by companies with acronyms for names, cloaking their part-ownership by global oil giants: Aramco, Vitol and Kuwait Petroleum International (also known as Q8).

Rotterdam is the largest port in Europe, and hovers near the eleventh or twelfth largest in the world. Its position as the gateway to Germany's industrial heartland was secured more than 150 years ago, when the expansion of European heavy industry was powered by the coalmines of the Ruhr Valley and the raw commodities extracted in the colonies. But it was the transition from coal to oil after the Second World War that decisively shaped the port city, as crude was imported on a massive scale and refineries were built to process it. Whose petroleum feeds Rotterdam's refineries? The answer isn't straightforward. Many different businesses can

be involved in the provision of oil, from the state enterprises that own the ground under which oil reservoirs sit to the oil companies that extract it and the outfits that sell it. Sometimes, a multinational has the rights to the oil, is able to draw it from the ground, and has the facilities to refine it and trade it. The ‘oil majors’ acquired this status because they could do all these things, with operations stretching around the globe.

In the late nineteenth century John D. Rockefeller’s Standard Oil had a monopoly on oil refineries, pipelines, rail transport and storage facilities in the US, but it didn’t control US oilfields, and – to start with – depended on British oil traders to ship its products to Europe. In 1911 Standard Oil was dissolved by antitrust legislation into thirty-four companies, among them the future Amoco, Chevron, Conoco, Exxon and Mobil. Elsewhere, these new companies took shared ownership of enterprises such as Saudi Arabia’s Aramco, which belonged to Standard Oil of California (Chevron), Standard Oil of New Jersey (Exxon), Socony Vacuum (Mobil) and Texaco. Aramco provided the US government with intelligence, helped with diplomacy and – literally – fuelled its war machines. Similarly, oil companies across the Gulf littoral were whole or partial subsidiaries of BP, which was itself 51 per cent owned by the British until Thatcher sold it off.

The oil majors didn’t have it all their own way. In 1951 Mohammad Mosaddegh nationalised the Anglo-Iranian Oil Company, and in response the Seven Sisters boycotted Iranian oil. They had the assistance of the British, whose fighter jets forced the *Rose Mary*, which was transporting oil from Abadan for an Italian client, into the harbour at Aden, where it was detained. When the shah was reinstalled in a British- and US-sponsored coup in 1953, he agreed to share control of Iran’s oil with the Seven Sisters and the French firm that eventually became Total. Decolonisation brought the nationalisation of oil and the establishment of state-owned oil

companies, which, to varying degrees, worked with the oil majors. By the end of the 1970s the Seven Sisters' share of the international oil trade had fallen from 80 per cent to 42 per cent, and commodity traders rushed in to fill the gap. The global spot market in oil was (re)born.

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Anything can be turned into a commodity. Humans and their labour, flora and fauna, livestock and crops. The ocean yielded not only pearls and fish but whales, whose oil was used in lamps before a technique was developed to transform petroleum into kerosene. Anything extracted from the earth can be commodified: oil, and all the metals – copper, mercury, lithium – that industrial production and commerce have depended on. Commodities from the colonies and the trade in enslaved people were the lifeblood of early European capitalism. Commercial contracts and financial devices became instruments of conquest, colonisation and commodification. Futures contracts, as we have seen, have become lucrative – if abstract – commodities; by the mid-nineteenth century, futures contracts at the Chicago Board of Trade for grain, timber and meat had surpassed cash trades. As the historian William Cronon wrote in *Nature's Metropolis* (1991), 'one could buy, sell and settle up price differences without ever worrying about whether anything really existed to back up contracts'.

Markets in commodities are not just about supply and demand. They are protected by state coercion, whether through the enforcement of contracts or at the point of a bayonet. George Hourani, a historian of Arab seafaring, has written about the 'lengthy stops in the hot, humid ports' that merchants had to endure 'at the mercy of the local ruler', protected from the threat of piracy only 'in the rare waters where a ruler kept a navy to safeguard shipping'. Merchants flourished where the integrity of their cargo and

contracts could be guaranteed, and where they could secure reliable intelligence about supply, demand and prices. Across the empires, the protection of land and sea routes, the provision of information about rules of trade and tariff, as well as the availability and transferability of credit helped merchants develop relationships with local agents.

In the first half of the twentieth century, one French merchant, Antonin Besse, set up shop in Aden and became an agent for Shell Oil with a finger in every pie, buying and selling coffee, livestock, animal hides, oil, timber and frankincense across the Indian Ocean and along the coast of East Africa. The travel writer Freya Stark remembered visiting him in Aden during the Second World War: 'I would escape twice a week or so to the old town of Crater, to see Hilda Besse and Anton sparkling with gaiety and malice. King of the Red Sea coasts and their commerce … he was distressed at this time because he could not help making money during the war; it piled itself up *malgré moi*.' Besse and his British and Indian counterparts defended the empire in Aden as fervently as it protected them, their interests and networks often overlapping. In his old age, a large endowment from Besse led to the foundation of St Antony's College in Oxford. Amid a fierce anti-colonial struggle in Aden, workers at his company protested about the fruits of their labour being expatriated to England. After decolonisation in 1967 his many and various interests in the former British colony were nationalised.

Traders and merchants have always, willingly or reluctantly, been used as the advance guard for powerful states, and often in order to accumulate extractive capitalism. In 2011, the late Ian Taylor, chief executive of Vitol, boarded a private jet, heading to Benghazi in Libya. Vitol, the world's largest oil trading company, had been asked by the government of Qatar to

deliver diesel, gasoline and fuel oil to the rebels fighting Gaddafi. In lieu of cash payment, Taylor had arranged to receive a shipment of crude at the Egyptian terminus of a pipeline from the Libyan oilfields. Naturally, he had secured permission from the British government for the deal, along with a sanctions waiver from the US. Vitol was lubricating the war in Libya at the behest of foreign powers, but Taylor claimed his actions were not political. This seems to be the mantra of the titans of commodity trading interviewed by Javier Blas and Jack Farchy in *The World for Sale* (2021): 'We are just here for the money; we are not doing politics.' I suppose it all depends on what you take 'politics' to mean.

Commodity traders are crucial cogs in the machinery of extractive capitalism. They act as liaisons between producers and customers. They buy the commodities – oil, coal, various ores, grains and the like – often from producers in some form of distress, carry them on ships they own, and sell them off at fabulous prices to those most in need of cargoes. The origin myth of today's commodity trades goes back to the era of decolonisation. But they can of course be traced further back, to the East India Company and other early merchant capitalist enterprises involved in the extraction of resources from the colonies. A starting point might be 1592, when traders from the Venice Company set up the Levant Company in London; Levant Company merchants helped found the East India Company seven years later. There are similar familial connections in the modern era: many commodity trading firms emerged from Philipp Brothers, which started as a scrap and ore dealer and became a global metals merchant in the 1960s. Philipp Brothers begat Marc Rich & Co. and Marc Rich & Co. begat Glencore, and Trafigura, and so on.

They aren't always happy families. Marc Rich was put on the FBI's most wanted list in 1983, when a young US attorney for New York's

Southern District, Rudy Giuliani, charged him with fifty-one crimes including tax evasion, racketeering, conspiracy and ‘trading with the enemy’. The last charge was the final chapter in a long story. After the nationalisation of the Suez Canal in 1956 and the subsequent Second Arab–Israeli War, waged by Israel and its allies against Egypt, the Israeli government decided to build a pipeline from Eilat on the Gulf of Aqaba in the south to Ashkelon on the Mediterranean coast in order to bypass the canal. The pipeline, a secret fifty-fifty joint venture with Iran, was financed by Deutsche Bank in a deal facilitated by the bank’s chairman, Hermann Abs, who had been in charge of the expropriation of Jewish property in Nazi Germany. It was Rich, still then with Philipp Brothers, who ensured the supply of oil to the pipeline, dispatching tankers to lift oil in Abadan, sail around the Arabian Peninsula and unload secretly in Eilat. From the late 1950s until the 1970s, Israel imported 90 per cent of its oil from Iran.

Rich left Philipp Brothers in 1974 and set up his own more aggressively risk-taking firm in Switzerland, continuing to provide Iranian oil to Israel even after the 1979 revolution. Ayatollah Khomeini seems to have been pragmatic about this trade with the Little Satan, just as he would be about the dubious trade in arms with the Great Satan a few years later, which became public as the Iran-Contra affair. In the US, however, Rich’s clandestine deal with Iran to provide oil for Israel was encouraged before the revolution but censured after it, leading to Giuliani’s attack on him. Rich’s mistake had been not to secure a sanctions waiver; Taylor did not make the same mistake thirty years later. Rich was eventually, and controversially, pardoned by Bill Clinton, apparently at the behest of Ehud Barak, partly on the grounds that he had helped provide Mossad with intelligence on Iran.

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When Ghana's first president, Kwame Nkrumah, published *Neo-Colonialism: The Last Stage of Imperialism* in 1965, it was already clear that the newly independent states were going to have to fight to be allowed to be economically self-sufficient. He wrote:

> 'Decolonisation' is a word much and unctuously used by imperialist spokesmen to describe the transfer of political control from colonialist to African sovereignty. The motive spring of colonialism, however, still controls the sovereignty. The young countries are still the providers of raw materials, the old of manufactured goods … Colonialism has achieved a new guise … And neo-colonialism is fast entrenching itself within the body of Africa today through the consortia and monopoly combinations that are carpetbaggers of the African revolt against colonialism.

The new markets for primary commodities were engineered by those carpetbaggers, the merchants and traders who took advantage of the desperation of newly decolonised and impoverished states which were rich in commodities. Rich cultivated relationships with the conservative government in Jamaica, offering much-needed oil in return for shipments of bauxite and even advancing cash to repay Jamaica's IMF loan. The arrangement led in 1985 to a ten-year contract whereby Jamaica sold alumina to Rich & Co. at 25 per cent below market price. A profitable trade followed: he supplied this cheaply bought commodity to Jamaica's smelters and received finished aluminium products. With Jamaica on the verge of economic collapse, its politicians were grateful for this daylight robbery.

Rich's company and the other major commodity traders – Cargill, Glencore, Louis Dreyfus, Mercuria, Philipp Brothers, Trafigura, Vitol and Xstrata – didn't just benefit from decolonisation. They also profited from

the end of the Soviet Union and the subsequent fire sale of its state assets. Commodity traders made deals with the new state enterprises, as well as the private firms set up by the oligarchs, and companies that blurred the lines between the two. When Putin ordered the imprisonment of Mikhail Khodorkovsky, it was, according to a commodity trader quoted by Blas and Farchy, because he had tried to sell Yukos Oil to a US firm. ‘You can imagine the anger. These guys got this for free. They didn’t pay for this: they got it. And they’re now going to sell it to an American multinational?’ Trading with the enemy wasn’t only an issue in the courts of New York’s Southern District.

From the 1970s onwards, global trade was buoyed by the availability of the easy credit that accompanied the financialisation of the global economy. Banks loved commodity traders and lavished them with credit lines. Rich used letters of credit from Paribas for large cargoes he couldn’t afford to pay for in cash. Derivatives and options allowed traders to hedge their risks on commodity purchases so that they made money whether the prices for the contracted goods went up or down.

The boys’ club of commodity merchants is interlocked and intimately connected, fortifying their secretive, aggressively profit-seeking methods of trade. Most firms operate as partnerships and, apart from Glencore, none have chosen to go public and expose themselves to the scrutiny that a prospectus for a stock market listing brings. Commodity traders don’t want scrutiny. They work with kleptocrats and oligarchs, do some of their best deals in countries at war, pour money into the coffers of warlords and help out intelligence agencies. Prosecutions for wrongdoing often fail, especially in countries where the government has limited reach. In any case, firms can only effectively be prosecuted for bribery and underhand business – such as dumping lethal waste in residential neighbourhoods in Ivory Coast, as

Trafigura did in 2006 – not for their usual modus operandi of rapacious trade.

Any successful prosecutions, including by US courts, have almost invariably been the result of alliances and enmities. Whenever the US has been unable to prevent commodities merchants from trading with its enemies – Iran, Cuba, Sudan, Russia, Venezuela – it has imposed multibillion-dollar fines on the banks that finance those trades. The US's ability to extract fines and impose compliance on banks is a remarkable feat, made possible by the fact that commodity prices are denominated in dollars and by the enormous power the US wields over global financial infrastructures. Geopolitics has played a role, too, in deciding which banks and traders receive special treatment and sanctions waivers and which do not.

Commodity traders rely on compliant financial and legal regimes. But they also need easy access to a vast infrastructure of shipping and market facilities. This is the reason why Rotterdam, which for the last seventy-five years has poured public and private investment into its port, has become a significant hub. When the Seven Sisters lost control of global oil in the 1970s, Rotterdam became the clearing house for the oil market, and its position as Europe's most important re-export hub for hydrocarbons was sealed. Even the supposed 1973 Arab oil embargo didn't affect its status. A civil servant in charge of the port at the time told *The New York* Times that 'the tankers arrived this week at the same rate as the week before, and the week before that'. By the turn of the millennium, Rotterdam hosted seven refineries and the main or regional offices of Vitol, Vanol, Transol, Bulk Oil, Transworld Oil and Mabanaft. Royal Dutch Shell's headquarters is nearby, in The Hague. Some traders shifted their headquarters to London

for ready access to banking, laxer regulation and more aggressive office cultures, but many more remain in Rotterdam.

In 1986 Marc Rich's firm had no need to own the Jamaican alumina foundry whose profits it enjoyed. In the intervening decades, however, commodity traders have returned to the more vertically integrated, hands-on operational styles of the behemoth oil majors, and have acquired not only mines and oilfields but also factories and refineries. Vitol has major storage facilities in Rotterdam, Singapore, the Caribbean and Fujairah in the UAE. Glencore owns 150 mines, smelters and factories around the world. Trafigura has refineries and quarries. Cargill owns feedlots, sugar-cane plantations and factory farms on several continents. Their trajectory is similar to that of the Shell Transport and Trading Company at the beginning of the twentieth century, when it came into possession of oilfields through a merger with Royal Dutch. National hydrocarbon producers have entered the trading business too: among them Saudi Arabia's Aramco, Rosneft of Russia and Abu Dhabi National Oil. Shell, BP, ExxonMobil and Total already control wildly successful trading arms, buying and selling other producers' oil and speculating on the financial markets. These in-house traders are earning significant money, with annual pre-tax profits of $4 billion for Shell and $2 or $3 billion for BP and Total. At a time of oversupply in the oil market, production isn't nearly as profitable as it once was, so the big companies rely on the magic of financial derivatives to rake in the cash through their trading arms. Even better, they can avoid paying taxes by operating their trading operations from low-tax offshore jurisdictions like the Bahamas.

These days, an intermediary role of the sort Marc Rich once took, transporting the oil of one state to the pipelines of another, may not be necessary. The oil that flows through the Eilat–Ashkelon pipeline is now

supplied by a company called Med-Red Land Bridge. Med-Red is a consortium between two Israeli hydrocarbon infrastructure firms and Petromal, a strange little oil services firm based in Abu Dhabi, whose ownership – once one peels back its shell companies – can be traced to two princes from the country's ruling family. Meanwhile, Israel has unilaterally taken over the pipeline and is refusing to pay the $1.1 billion (plus interest) it owes Iran. The pipeline itself is a state secret, and a Knesset committee has ruled that anyone leaking information about it may be subject to a prison term of fifteen years.

AGENT UNTRACEABLE, OWNER NOT RESPONDING: PIRATES AND PERFIDY

Over a fifty-day period each spring, Khamsin winds from the Sahara blow transversely across the Suez Canal, making transit under sail almost impossible. Even motorised navigation is subject to the whims of the weather. That is why two experienced pilots from the Suez Canal Authority board every ship that enters the canal. Their knowledge of winds and currents reduces the chance of ships running aground. Most ships that are stranded are freed within hours. But not MV *Ever Given*.

On the morning of 23 March 2021, as freighters in the Gulf of Suez queued up to convoy northwards, winds were gathering in the Eastern Desert. The *Ever Given* was the fifth ship in a line of twenty, and although it had pilots on board, it didn't have tugboats accompanying it. Meteorological records show that at 7.40 a.m. gusts were near gale-force strength, and photographs taken from the Maersk ship behind show a sky tinted sand-yellow. Despite the attempts of the *Ever Given*'s captain and the pilots to right its course, the ship was pushed sideways and its bow lodged in the riprap at the side of the canal. It had run aground, blocking a passage through which $10 billion worth of cargo travels every day. Some shipping companies immediately began to divert their vessels round the Cape of Good Hope. European car factories dependent on just-in-time parts from Asia – all coming through the canal – had to halt production. Six days later, with excavators digging round the bow and tugboats pushing and pulling

the hull, the rising tide floated the ship just long enough for it to be freed. Canal journeys resumed, and the world's attention shifted elsewhere.

But that wasn't the end of the story for the seafarers on board. The *Ever Given* was escorted to an anchorage in the Great Bitter Lake, a third of the way up the canal, and detained there while the Egyptian government demanded $916 million in compensation from its owners and insurers. The *Ever Given*, one of the world's largest container ships, was operated by the Taiwan-based shipping company Evergreen, which had chartered it from its Japanese owners, Shoei Kisen Kaisha. It flew the flag of Panama; its agent was a Dubai-based firm; and its Indian crew and officers were recruited by the German company Bernhard Schulte Shipmanagement. It also had multiple insurers. The *Ever Given*'s hull, machinery and cargo were insured in the Japanese market, while claims for injuries, accidents and pollution were covered by the UK Protection and Indemnity Club. The Suez Canal Authority, Shoei Kisen Kaisha, UK P&I and all of their lawyers negotiated in public and behind closed doors for the next three months, and finally took their case to the Egyptian courts. After a settlement was forced on the parties, the ship was released on 7 July 2021.

In the fifteen weeks between the grounding and the ship being permitted to continue its journey to Rotterdam, the captain and crew remained on board, keeping the *Ever Given* clean and operational. They maintained the engine, updated the charts, cleaned the decks and made sure the refrigerated containers (which often carry chemicals) were functioning. Although the National Union of Seafarers of India, the International Transport Workers' Federation (ITF) and the International Chamber of Shipping all tried to intervene on their behalf, the seafarers had no guarantee that they would be

allowed to leave the Great Bitter Lake and were anxious that they might be held to ransom indefinitely by the Egyptian government.

They were right to worry. There was a precedent for seafarers being made legally responsible for their ships and detained. Just fifty miles away, Muhammad Aisha, a Syrian seafarer, was being forced to remain alone on board the Bahraini-flagged MV *Aman*, at anchor in the Gulf of Suez.

Aisha had been hired in May 2017 as the *Aman*'s first mate. The ship was owned by a Bahraini company called Tylos Shipping and Marine Services, and operated by a crew of sixteen men from Egypt, India and Syria. According to an ITF report, the *Aman* was arrested in November 2017 (under maritime law a ship can be issued with an arrest warrant) by authorities in the Egyptian port of Al-Adabiya, on grounds of 'unpaid wages, inadequate provisions, inhuman conditions, expired contracts. Owner told crew he has no money to pay them or pay for relievers. Indian crew paid service charges to be employed. Indian agent untraceable, owner not responding. Previous crew have also not been paid. Vessel arrested by three creditors.'

The families of the Egyptian and Indian crew members paid for them to be repatriated, but someone had to remain responsible for the vessel, and the Egyptian courts designated Aisha its legal guardian, required to live on a ship without fuel, electricity, food or water, swimming ashore every few days to secure basic supplies and charge his phone. By the time the *Ever Given* ran aground, he had been living on the *Aman* for nearly four years and was suffering from malnutrition, anaemia and depression. Eventually, thanks to the media attention that turned to the *Aman* after the story of the *Ever Given* had run its course, the Egyptian government agreed to release him and he left the *Aman* in April 2021. The abandoned hulk still floats near where it was first detained in 2017.

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One of the most brutally compelling accounts of modern seafaring is B. Traven's novel *The Death Ship,* published in 1926. Traven – nobody knows for certain who he was, beyond the pseudonym, though he is thought to have been a German anarchist – chronicled the Mexican Revolution in a series of novels celebrating ordinary people working in oil and cotton fields. *The Death Ship* is his love letter to seafarers, especially the forgotten fire gangs toiling away in the stokehold. The protagonist is Gerard Gales, a merchant seaman from New Orleans, who is arrested for not having his passport on him when he leaves his ship in Antwerp. He can't secure new paperwork since he has no way of proving his identity to the US consul. Gales is deported from country to country until, paperless and penniless, he ends up in Cadiz and signs on to a dilapidated ship, the *Yorikke*. His fellow crew members are forced 'to work so hard, they [are] chased about so mercilessly, that they forget everything that can be forgotten'. The ship, its tightly packed living quarters lit by kerosene lamps, is barely legal, and carries small cargoes and multiple sets of papers for whatever port it might end up at. It changes course from Greece to North and then West Africa, docking in Dakar. As Gales meanders from port to port, he meets sailors from many countries who are sleeping in doorways, flophouses and taverns. They burden him with their own stories of being left behind, of hunger and homesickness, tight-fisted shipowners and iron-fisted captains. The book brims over with accounts of freighters sunk for the insurance money, of awful living conditions, of loneliness and fear, of misery and depression. The accumulated tales of abandonment mirror the fate of Muhammad Aisha and the thousands of other forsaken seafarers a century later.

In 2022, a database maintained by the International Labour Organization and the International Maritime Organization listed 113 vessels and 1,555 seafarers abandoned at sea, or within sight of shore: more than any other year on record. Ships are abandoned when their owners take on too much debt, or when they deliberately let the ship's condition and licences slip, or when they fail to pay the crew's wages. If they leave the ship, crew members lose the right to claim their wages, and in some jurisdictions they may be threatened with arrest for negligence, as Aisha was. Coastguards turn back stranded seafarers who try to come ashore. When the ship runs out of money, the crew are left at sea with no fuel, electricity or potable water.

The vast majority of abandoned vessels are flagged to open registries or flags of convenience. This 'convenience' is, predictably, reserved for owners and operators, who are subject to negligible oversight, inspection or accountability, and pay minimal tax and wages. More than 42 per cent of the world's cargo tonnage is flagged to Panama, Liberia or the Marshall Islands, and a disproportionate number of abandoned ships fly the Panamanian flag.

The ITF lists forty-two flag of convenience countries as non-signatories to the international conventions that protect the rights of seafarers. Bahrain, to which the *Aman* was flagged, is not on this list, but – along with other Gulf countries where trade union activity is circumscribed, such as Saudi Arabia and the UAE – it functions as a flag of convenience country in all but name. I found a 1981 letter in the ITF archives at Warwick University from a Sri Lankan seafarer in which he complained about the working conditions on ships flagged to Gulf countries and added: 'I wish to state without hesitation … my experience is that ships of these flags are the biggest violators of all international regulations.'

After the Covid-19 pandemic hit, the number of abandoned vessels rose sharply. In their 2020 filing to Companies House, the Mission to Seafarers, an Anglican charity, reported:

> One of our chaplains observed early in the crisis that among seafarers ‘there was a mental health epidemic paralleling the pandemic’. Shore leave when in port also became very difficult, if not impossible, preventing the opportunity for a break from the ship or to access local facilities. Crews without wifi access on board could not even maintain basic contact with family. For all those unable to end contracts, similar numbers were unable to join ships, often leading to financial hardship.

In the early stages of Covid-19, it quickly became clear that the mobility that defined the frantic pace of global capitalism had increased virus transmission. Over the past decades, ever-bigger cargo and cruise ships have moved from port to port; ever more frequent passenger and freight planes have taken off and landed. When governments began closing borders and imposing quarantine measures, seafarers were often suddenly unable to disembark or fly home. The International Maritime Organization estimated that at one point in 2020, some 400,000 seafarers were stranded on their ships. There were reports of people jumping overboard and of suicides by overdose. The working conditions of those on cruise ships were particularly dire. Even the most gargantuan freighters operate with no more than thirty or so seafarers, but cruise ships employ hundreds, living in close quarters, two to four in cabins below the waterline with no portholes. Aside from handling the ship, they wash mountains of laundry, cook and serve vast numbers of meals three times a day, constantly clean hundreds of cabins

and a dozen decks, and entertain and attend to hundreds, sometimes thousands, of passengers.

The first cruise ship to be stranded by the pandemic, the *Diamond Princess*, anchored at Yokohama in early February 2020. Two weeks later it was thought to be carrying half of the world's Covid-19 cases outside China. In mid-March, the 3,000 passengers on board another liner, the *Ruby Princess*, disembarked in Sydney and spread out across Australia before it was discovered that more than a quarter of them were infected with the virus. The ship's 1,100 crew members remained quarantined on board for several weeks. Many of them exhibited flu-like symptoms but had no access to tests or to healthcare on shore. This seems to have been the fate of almost all the cruise ships stranded by Covid border closures.

In *Cabin Fever* (2022), Michael Smith and Jonathan Franklin tell the horror story of another plague ship, the *Zaandam*, owned and operated by Holland America, which left Buenos Aires on 7 March 2020. The cruise ship companies already knew that their vessels were hothouses for the mysterious pathogen, and yet they still allowed them to set sail. *Cabin Fever* traces the spread of the virus aboard the *Zaandam* as port after port along South America's Pacific coast refused it harbour. There were reports at the time of the horror felt by its elderly passengers as more and more of them fell ill, but Smith and Franklin also tell us about the crew members – still working their shifts however ill they were, while being denied the scarce medication, which was reserved for passengers. The *Zaandam* was finally allowed to transit the Panama Canal on 29 March, but then had to wait a few days before the White House and the Florida administration granted permission for those on board to go ashore. The passengers disembarked at Port Everglades in Florida, were taken to Atlanta and then flew on to their final destinations, all without a single public-health

precaution being put in place. The crew members, meanwhile, remained on board for weeks as the *Zaandam* circled the Caribbean. None of them had any idea when they would be allowed to go home.

Holland America, like Princess Cruises, is owned by the Carnival Corporation, which also owns Carnival Cruise Line, Costa Cruises and Cunard. Carnival has its headquarters in Miami but is registered in Panama, where in 2019 it paid just $71 million in taxes on $20.8 billion in revenue, 0.3 per cent. The other two major cruise lines, Royal Caribbean and Norwegian, also have their head offices in Miami and are registered in Liberia and Bermuda respectively. In 2019, the former paid $36.2 million in taxes on $10.9 billion in revenue, the latter $18.9 million on $6.5 billion in revenue. Corporations of all sorts benefit from offshoring their production and services functions, or their finances and banking, but the practice has been particularly rewarding – and easy – for shipping companies, without whom the seamless speed of the global commodities trade would not be possible. Open registries have proliferated since the 1930s, but offshore registration of the actual companies or subsidiaries that own the flagged-out ships adds another layer of secrecy to an already secretive business. Many of the world's largest shipping firms are owned by families or family trusts, and their finances and operations are opaque, thanks to shell companies registered in tax havens, and minimal requirements for oversight.

But however impenetrable their ownership structures, and wherever in the world they claim to be based, there is one point of contact that shipping companies can't avoid: the insurers, most of which trade from a single building, Lloyd's, at One Lime Street in London. Edward Lloyd set up his coffeehouse on the bank of the Thames in 1686 as somewhere for sailors and merchants to exchange maritime news and rumour. It eventually

became a hub for insurers. Lloyd's has never been an insurance company itself: it's more like a marketplace, in which a broker connects a client with something to be insured with insurance companies operating from Lime Street. A single cargo ship will have multiple insurers underwriting its hull, its cargo, the carrier's liability, the crew's accident insurance and the risks to its journey, including war, sabotage and vandalism, kidnap and ransom, and shipboard or landside strikes.

Until 1807, Lloyd's had a monopoly on the maritime insurance of human cargoes of enslaved Africans. In 1944, Eric Williams pointed out in *Capitalism and Slavery* that 'many advertisements in the London Gazette about runaway slaves listed Lloyd's as the place where they should be returned'. After the abolition of the slave trade, Lloyd's continued to focus on the colonies, where the returns on investment were higher than in the metropolitan countries. In *Dead in the Water* (2022), Matthew Campbell and Kit Chellel describe Lloyd's during its first 270 years as 'an invitation-only investment club for preserving wealth and privilege'. In the 1960s, however, liquidity crises brought on by the end of colonialism opened the door to nouveau riche individual investors, and three decades later to major international conglomerates with deep pockets. Given the ignominious history of Lloyd's, the vast sums of money tied up in insurance policies and the shenanigans that both the insured and insurers get up to, it's a wonder that the sector is often represented as staid and stable.

This is the context for Campbell and Chellel's thriller-like account of the MT *Brillante Virtuoso*, a Very Large Crude Carrier hired in 2011 by a Cypriot logistics firm to lift a cargo of oil from Kerch in Ukraine to a destination in China. The ship was owned by Suez Fortune Investment, a shell company domiciled in the Marshall Islands, and was flagged to Liberia. Its cargo and hull were insured at Lloyd's, mainly by Zurich

Insurance Group and Talbot Underwriting respectively. At midnight on 6 July, the ship was boarded by masked gunmen in the Gulf of Aden. At around 2.30 a.m. the gunmen set off an explosion in the ship's accommodation block and fled in their skiff. The *Brillante Virtuoso*'s twenty-six seafarers, all Filipinos, activated a distress signal and took to the lifeboats. The signal alerted the United Kingdom Maritime Trade Operations centre in Dubai. The UKMTO, which describes itself as 'the primary point of contact for merchant vessels and liaison with military forces' in the Indian Ocean, directed the USS *Philippine Sea*, a US Navy guided-missile cruiser patrolling the Gulf of Aden, to pick up the tanker's crew. Over the next few weeks, salvage companies attempted to save the ship's cargo. The British insurers sent David Mockett, a British marine surveyor resident in Aden, to scrutinise the timeline and cause of the explosion. Shortly after Mockett conveyed his suspicion that the ship was the target of insurance fraud, he was killed in Aden by a car bomb.

Campbell and Chellel's story of pirates and perfidy veers all over the world and includes a cast of salty seafarers, hard-driving maritime salvors, commercial adjudicators and barristers, insurance men, detectives and hired thugs. Cantankerous investigations in the City of London are followed by high-speed car chases in the Greek mountains and hush-hush whistle-blower meetings in the Philippines. When you really understand its inner workings, the insurance industry is enthralling. The book's most surprising revelation is the reluctance of the insurance firms to acknowledge the possible fraud: entanglements like this get in the way of the simple business of making money. The companies ultimately pursue the unscrupulous owner of the *Brillante Virtuoso* because they are pushed into it by investigators concerned about their recovery fees. Traven's fictitious world is also largely concerned with insurance fraud. In *The Death Ship*, he points

out that, unlike the sailors in their sinking rust buckets, the insurers never really lose: ‘A good capitalist system does not know waste … Why are insurance premiums paid? For pleasure? Everything must produce its profit. Why not make premiums produce profit?’ Insurance providers operate in the shadows, following arcane norms and codes that ultimately underwrite the unfettered pursuit of profit for all, at the expense of wasted lives.

In his book *Captured at Sea* (2019), the anthropologist Jatin Dua, who spent months on patrol ships, freight vessels and dhows to research piracy in the Red Sea, also makes connections ‘from northern Somalia to the offices of Lloyd’s of London’. For Dua, the pirates, insurance providers, naval officers, the seafarers themselves and the shipboard security firms all produce an ‘alternative system of connectivity, forged through protection’. Protection involves grey anti-piracy warships, grey-suited insurance men and grey shades of morality. At sea, the boundary between licit and illicit is porous, and what is construed as legal shifts according to the tenacity of your lawyer.

SHOWING OFF: SUPERYACHTS

At the opposite end of the spectrum from the exploited seafarers and hunted pirates, the billionaires and oligarchs who profit from lax regulation and porous legality take to the sea in a very different manner. According to a gushing photo-essay published in *Life* magazine in 1969, Prince Karim Aga Khan was an ‘outrageously wealthy young man, written off by many as a mere playboy’, who had proved his critics wrong with a display of business acumen – a vast real estate venture in Sardinia. Sailing across the Mediterranean on one of his yachts, the Aga Khan had fallen in love with its wind-eroded granite shorelines, pink sandy coves and velvety green waters. He and a few investor friends bought thirty-eight miles of coast and 13,000 hectares of land from peasants in the area, hired five architects and built a resort town, Porto Cervo, more easily reached by sea than by road. They called it Costa Smeralda, or the Emerald Coast.

The first building erected in the town of Porto Cervo was the Yacht Club Costa Smeralda, which later moved to a marina behind a purpose-built breakwater. The Aga Khan, now eighty-seven, is still president of the board and oversees annual regattas at the yacht club sponsored by Rolex, Armani and other luxury brands. He owns several superyachts himself, all named after his favourite racehorses. The pride of the fleet is *Alamshar*, which is estimated to have cost £200 million to build. Powered by six gas turbine engines, it was intended to have a top speed of 65 knots, though the tabloids have relished the fact that engineering difficulties led to its being capped at ‘only’ 45 knots – which is still twice as fast as commercial freighters. In

stark contrast to the piracy-prone and often abandoned tankers like *Brillante Virtuoso* or *Aman*, the Aga Khan's yachts are hyper-visible in yachting magazines (often with the name of their owner omitted to protect his privacy), while the yachts themselves are discreetly moored in heavily guarded yacht harbours across the world. Information about the yachts' ownership can, however, be found in the pages of *Tatler* or on the message boards of Ismaili Muslims unhappy about their tithes being used to pay for the extravagant lifestyle of a man who is both their religious imam and the descendant of an aristocrat ennobled by both the Iranian and British monarchies.

The Aga Khan favours motor yachts, but another board member of the yacht club in Sardinia, a Sicilian lawyer by the name of Salvatore Trifirò, owns a glorious 33-metre sailing yacht called *Ribelle* (this might no longer be the case: the yacht was listed for sale in August 2023 at €16.5 million). Its carbon-fibre and titanium hull were designed in the UK and built in a Dutch shipyard, with a teak and copper interior styled in Paris. Intended to be equally suited to cruising and racing, it won the Maxi Yacht Rolex Cup regatta, along with multiple awards for both interior and exterior design. Unusually, photographs of it abound online. Most superyacht owners aren't keen on giving photographers access to their living quarters, so we have to rely on snapshots of sweeping staircases, Louis XV furniture and marble fittings. Multibillionaires don't tend to have great taste.

In a half-facetious account of social class in the United States in the early Reagan era, Paul Fussell – better known for his cultural histories of the First and Second World Wars – mapped yacht ownership on to positions on the social ladder. 'Because it's the most expensive, yachting beats all other recreations as a theater for upper-status exhibition. But certain inviolable

principles apply. Sail is still far superior to power, partly because you can't do it simply by turning an ignition key and steering – you have to be sort of to the manner born.' For boats to be considered yachts, Fussell thought they should be at least 10 metres long, and built in traditional fashion with wooden hulls and canvas sails.

Fussell wouldn't have known what to make of the Aga Khan. He is firmly ensconced in the upper reaches of British aristocracy, but when it comes to yachts he's only interested in speed. The ten biggest yachts in the world are all motor yachts, most of them owned by Gulf royals or Russian oligarchs. In the Euro-snob stakes, both these groups are parvenus, so perhaps there is something to Fussell's interpretation of sail as a signifier of true class.

The very biggest of these yachts, *Azzam*, commissioned in 2009 for more than half a billion dollars by the then president of the UAE, Sheikh Khalifa bin Zayed, is 180 metres long. That's as long as the Gherkin skyscraper in London is tall, and longer than a Royal Navy destroyer. The owners of these behemoths compete to fit them out with the most fantastical amenities. In addition to the de rigueur cinema, swimming pool and gym, *Azzam* has a 'golf training room'. The late Omani sultan's 155-metre *Al Said* has a concert hall with room for a fifty-piece orchestra. Sheikh Mohammed al-Maktoum's eponymous *Dubai* (162 metres) accommodates a disco and a squash court. At 134 metres, *Serene*, the yacht owned by the Saudi *enfant terrible* Mohammed bin Salman, is only the twenty-fourth-largest in the world, but like the yacht *Dilbar*, owned by the Uzbek-Russian oligarch Alisher Usmanov, it has two helipads. It also has a room where snow machines produce four inches of the white stuff on demand. It's not clear what you're supposed to do with such a room. Bin Salman is reported

to have kept Leonardo da Vinci's *Salvator Mundi* on the yacht while he was deciding what to do with it.

Dilbar is among dozens of multimillion-pound yachts owned by Russian plutocrats loyal to Vladimir Putin that were targeted by the US Justice Department's Klepto Capture task force, formed in the wake of the Russian invasion of Ukraine. A great many of these Russian billionaires had wined and dined European and American leaders and officials. In 2008, Peter Mandelson, then the EU trade commissioner, and George Osborne, the future chancellor, spent some time on the aluminium mogul Oleg Deripaska's yacht *Queen K* off the coast of Corfu. *Queen K*, later renamed *Clio* and now renamed *Altair*, was in the Maldives when the sanctions arrangements began, and is currently safely harboured off the Turkish coast, where the US authorities can't touch it. Roman Abramovich, who was forced to sell Chelsea Football Club after the war began, still owns the $600 million *Eclipse*, once the largest yacht in the world, also now safe in Marmaris. Deripaska's former associate Len Blavatnik – who has a department at Oxford named after him and was knighted in 2017 – has recently upgraded from the $80 million *Odessa II* to the $350 million *Shackleton*. *Shackleton* is also safe – since, as Blavatnik's representatives point out, he is both a British and a US citizen and so can't be subject to sanctions, however he made his money.

The US did succeed in seizing superyachts owned by a number of Russian oligarchs, including Andrey Melnichenko, Andrey Guryev, Igor Sechin and Viktor Vekselberg. Many were stripped of their registry by the countries whose flag they fly – usually a Caribbean island with lax tax and regulatory regimes. Other Russians who appeared on the sanctions list, like Deripaska, succeeded in moving their boats to friendlier shores. Seychelles, the Maldives and Dubai have all become safe havens for yachts designated

by the US as ‘blocked property’. This means that they can’t use US-owned maintenance businesses, employ US crews or conduct their business in dollars.

Impounding superyachts has caused the US some headaches. In February, Reuters reported that the *Amadea*, a seized yacht allegedly belonging to Suleiman Kerimov, owner of Russia’s biggest gold-mining company, Polyus, costs $7 million a year to maintain. The Justice Department’s plan to auction it off is being challenged in the courts by Eduard Khudainatov, ex-CEO of Rosneft and not on the sanctions list, who claims that he in fact owns the boat. The Italian media have suggested that Khudainatov may technically also be the owner of the 140-metre, $700 million *Scheherazade*, impounded in May 2022 by port authorities in Tuscany. *Scheherazade* is also sometimes referred to as ‘Putin’s boat’, or (according to the FBI) as ‘linked to Putin’ – the assumption being that Khudainatov or whoever has his name on its papers is a ‘straw owner’. When reporters from Radio Free Europe/Radio Liberty recently tried to film the yacht up close, the crew, still on board, sent a surveillance drone after them. The legal status of *Amadea* and *Scheherazade* is difficult to ascertain, thanks to the complex offshore shell companies that hide beneficial ownership. In other words, the offshore corporate registration system encouraged by global capital is doing what it was designed to do: protecting the assets of billionaires, while, by the same stroke, allowing the owners and operators of freighters to dodge environmental and workers’ standards.

The number and size of yachts is a crude measure of inequality in the world. Even now, 24 per cent of the world’s superyachts – defined as a pleasure craft more than 30 metres long – are owned by citizens of the

United States. The more money the owner has, the more likely they are to get authorities to do their bidding. In *Superyachts* (2024), Grégory Salle tells the story that the Labour mayor of Rotterdam contemplated partially disassembling the historic De Hef bridge to allow Jeff Bezos's $500 million sailing yacht *Koru* to travel from an upstream shipyard out to sea. Only the public outcry put a stop to the plan. Instead, the 127-metre boat was carried on a barge from Zwijndrecht to just downstream of the bridge, where the masts, the tallest of which is estimated to be 85 metres high, were stepped (installed into the hull). The sails are so vast that there was no room for a helipad. So, like a number of other large sailing yachts, *Koru* has a support vessel, the 75-metre *Abeona*, which has its own helipad and helicopter hangar, and can accommodate forty-five crew members and guests. Having a shadow vessel also means you have, in the words of *Boat International*, 'the world's largest floating toybox'. The support vessel follows *Koru* around the world carrying jet skis, speedboats, waterslides, mini-submarines and other items of maritime entertainment, while the sailing yacht – as Fussell recommended – maintains a pristine pretence of sporting prowess.

Superyacht sales increased by 46 per cent in the wake of the Covid-19 pandemic, as the very rich looked to escape lockdown at sea. Two years ago *The New York Times* reported that shipyards were 'struggling to keep up: the order book for superyachts is full until 2025' – you would now be looking at a date closer to the end of the decade. Most of the US-based plutocrats who own yachts accumulated their billions in familiar business sectors: logistics, finance, real estate, technology, entertainment and pharmaceuticals. Bezos is the king of logistics and technology; the queen of logistics, the Walmart heiress Ann Walton, owns one of the largest US-built motor yachts, *Aquila*. Yacht owners on the East Coast include hedge fund

managers and real estate tycoons who berth their boats in Miami, close to the Caribbean yachting destinations where many also discreetly own private islands. On the West Coast, the yacht-owning Hollywood moguls David Geffen and Steven Spielberg are joined by tech billionaires including Oracle's Larry Ellison, Alphabet's Sergey Brin and his former colleague Eric Schmidt. Microsoft's Paul Allen owned one, as does Charles Simonyi. The tech bros have grown their businesses courtesy of handsome government contracts and lavish state subsidies, so their superyachts are paid for not just by the labour of those who work in the sector but also by the average taxpayer.

Billionaires have always been keen to escape from the hoi polloi: to heavily securitised compounds, private islands, exclusive ranches and hunting grounds, ski chalets and beach houses, offshore havens, on private jets or superyachts. As long ago as 1919, the Russian revolutionary Nikolai Bukharin diagnosed this tendency as being caused by 'the fear of impending social catastrophes'. Peter Thiel of Palantir provided seed capital for the Seasteading Institute, founded by the grandson of the neoclassical economist Milton Friedman, which aims to establish seaborne 'communities' in international waters, outside the reach of national laws. The institute's tagline is 'opening humanity's next frontier'. Billionaires experiment with escaping from regulation, taxes and scrutiny, but also from the everyday – yachts are only the beginning. Elon Musk's SpaceX plans to colonise Mars, though, as with much that Musk promises, this may largely be bluster intended to bilk investors and treasuries of money. In July 2021 two pilots flew Richard Branson and a few of his employees on a Virgin Galactic spacecraft towards the Kármán Line, considered to be the edge of space. Virgin Galactic plans to sell seats on its spacecraft for £360,000. A

few days after Branson's trip, Bezos flew ten miles higher on a rocket launched by his commercial space travel company, Blue Origin. Accompanying him was the teenage son of the head of a Dutch private equity fund, who paid millions for the seat.

The other playground is deep under the ocean. In 2023, Stockton Rush took his submersible *Titan* down to the wreck of the *Titanic*, more than two miles below the surface of the North Atlantic. Rush was practically American aristocracy, with two ancestors who had signed the Declaration of Independence and a grandfather who had been a director of Standard Oil of California when it hit oil in Bahrain and Saudi Arabia in the 1930s. Rush ostensibly founded his company OceanGate to take the super-rich on underwater adventures, often to shipwrecks: the *Titanic* was the big prize. But the ultimate aim was to monetise submarine travel to land contracts with oil and gas companies prospecting in the deepest oceans. This time, the submersible, which had suffered material fatigue at its seams, imploded. Among the final voyagers, along with Rush, was one of Pakistan's richest men and his nineteen-year-old son.

At the height of the Gilded Age, Thorstein Veblen's *The Theory of the Leisure Class* (1899) described expensive sports – epitomes of conspicuous consumption – as 'activities deliberately entered upon with a view to gaining repute for prowess'. Sports with high capital outlays educate sportsmen with 'arrested spiritual development' in the virtues of economic value. Veblen names bullfighting, shooting and yachting as models for capitalist conquest, based as they are on the competitive planting of flags. One can imagine nerdy crypto billionaires revelling in the unfamiliar machismo their yachts allow them to display. But yachting as a metaphysics of affluence is also much more mundane. These sleek machines still

produce emissions and rubbish. And lives below deck mirror the class politics of the much less glamorous service industry on land.

As in commercial shipping, very few crew members are employed directly by the yacht owners whose boats they maintain. Often only the yacht's captain is a long-term employee of the billionaire, a bit like an estate manager at sea. The other crew members face short-term contracts and precarious employment without any benefits. Since the yachts winter in the Caribbean and summer in the Mediterranean, recruitment agencies hire people to sail the boats across the Atlantic while the owners fly over in their private jets. Just as on a cruise ship, the majority of crew members aren't in charge of navigation or maintenance but are hospitality workers, preparing and serving food, dispensing massages, spa treatments and entertainment, cleaning and housekeeping. The old/new money divide – or the European/American chasm – that distinguishes types of owners has its own effect on the crew. *The New York Times* quoted a former yachtie on the difference: 'The Europeans don't know your name. You're just there to serve them. Americans want to be your friend, they want to know where you went to college and they want to buy you drinks. Then they want you to work eighteen hours a day and tend to their six kids.'

A hundred years ago, D. H. Lawrence called the stretch of land that runs along the eastern coast of Sardinia 'forsaken, forgotten, not included'. The difference between the extravagant lives of the yachting class and the people who serve them in the hotels, restaurants and clubs of Porto Cervo – and Korčula and Valletta and Eleuthera and Dubai and Mustique and St Barts and Keppel Bay – remains stark. In a 1964 interview with *Sports Illustrated*, the Aga Khan saw Porto Cervo as a place of escape: 'Eventually Porto Cervo will be one of the finest ports in the world, and civilized, too. I

mean, nobody will throw tomatoes at the boats, anchor lines won't get tangled and a yachtsman will not feel he is an animal in a zoo.' But perhaps Derek Walcott's description of these places is more apt:

> new plantations
>
> by the sea; a slavery without chains, with no blood spilt – just chain-link fences and signs, the new degradations.

GUANO TO GUNS: THE CHAGOS ISLANDS

Among the most peculiar alibis the world's maritime powers used for their programme of conquest and occupation was guano – seabird excrement rich in nitrogen, potassium and phosphates, sought after as fertiliser. As with other colonial enterprises trading voraciously in mundane materials such as sand, bird shit was extracted to feed the maw of capital in the metropole, in this case large-scale agricultural capital. 'All progress in capitalist agriculture', Marx said, 'is a progress in the art, not only of robbing the worker, but of robbing the soil' of its fertility. He was writing as the great powers competed over faraway islands covered in thick layers of guano, first near the shores of south-western Africa, and then more intensively off the coast of Peru and the far side of the Pacific, closer to China. The British claimed a monopoly on Peruvian guano. In response, the United States – itself in the midst of a boom in cotton grown by an enslaved workforce on exhausted soil – passed the Guano Islands Act of 1856. The Act encouraged US citizens to plant the Stars and Stripes on top of the mountains of guano on around 200 islands in the Pacific, though the sovereign claim to all but nine was eventually withdrawn. When the guano ran out, many of the islands were repurposed for the industrial production of copra – dried coconut flesh from which oil could be extracted, with the residue used as animal feed.

Fertilisers were also on the mind of the US naval strategist Alfred Thayer Mahan in 1884, when he visited Lima to witness Peru and Bolivia's defeat by Chile in a war fought over saltpetre. The germ of his influential

treatise on imperialist uses of sea power was formed there. Mahan advocated for the US to supersede Britain's 'great sea power [and] her commercial establishments, colonies and naval stations in all parts of the world'. From 1898 onwards, the US military, inspired in part by Mahan, began occupying or annexing archipelagos and islands across the world's oceans which had resources far richer than guano – notably Hawaii, the Philippines and Puerto Rico. While debates over the legal status of these imperial holdings as part of the United States raged in Congress and the courts – racist representatives and senators blanched at the thought of so many non-white 'brutes' and 'savages' becoming citizens – Mahan himself argued that the far-flung islands were 'valuable to us as positions even more than possessions'.

This dual utility – as possessions ripe for commercial exploitation, and as naval positions facilitating transoceanic strategic power – made islands particularly desirable for the maritime powers and for the growth of international trade. Mahan coveted, for instance, the Île Bourbon (now Réunion) and the Île de Maurice (ceded in 1814 to Britain, which named it Mauritius), since they were 'so well suited for the control of the Indian Ocean, the one a rich agricultural colony, the other a powerful naval station'. Island outposts were and remain useful as military and naval garrisons, victualling stops, coaling and bunkering stations, quarantine camps, detention sites for political dissidents and exiles, telecommunication cable landing points, and – with the advent of radio, satellite and other forms of signals intelligence – as surveillance and espionage stations. The US Navy continues to jealously guard its bases on Hawaii, Guam, Samoa and other Pacific islands. Britain holds fast to its fourteen British Overseas Territories – from the offshore havens of Bermuda and the Caymans to the

thornily disputed Falklands/Malvinas and Gibraltar to the sovereign military base areas of Akrotiri and Dhekelia in Cyprus.

Among the British holdings, the Chagos Archipelago stands out for the curious fact of its having been retained as a colonial outpost so that parts of it could be gifted to the US military. The Chagos were claimed in the eighteenth century by France as part of its Île de Maurice dependency. Coconut plantations were established and enslaved men and women imported from Madagascar and south-eastern Africa to produce copra. After the British conquered the archipelago in 1810, they brought both indentured Indian labourers and educated clerical and professional workers from their various colonies to work for colonial administrations and commercial ventures across the Indian Ocean. The archipelago's coconut plantations were such a rich source of copra that the British colonial office called Chagos Mauritius's 'oil islands'.

In the mid-twentieth century, decolonisation and the Cold War gave these islands new strategic significance. It was a febrile moment in the Indian Ocean. Tanzania, Somaliland and Kenya all gained their independence between 1960 and 1963. The British Army used military force, detention and torture against anti-colonial militants in Aden until it was forced to withdraw in 1967. Singapore was wracked by communal violence and geopolitical uncertainty. Iran, Iraq and some of Britain's oil-producing protectorates in the Persian Gulf were beginning to demand a larger share of the petroleum income that was flowing so copiously into the pockets of BP and its subsidiaries. The dollar was overtaking sterling as the world's dominant currency. And British officials were wringing their hands over losing their footholds east of Suez.

It was in the midst of this whirlwind that London and Washington began secret negotiations over strategic 'small island base complexes' in the

Indian Ocean. In particular, Pentagon planners had their eyes on the Chagossian island of Diego Garcia, a U-shaped volcanic atoll with a deep crystalline lagoon at the centre which could be turned into a haven for warships alongside an airstrip and communications station. In *Island of Shame* (2009), a history of the military bases on Diego Garcia, the anthropologist David Vine reports that in 1960 a Pentagon policy paper advancing dominion was titled ‘South Atlantic and Indian Ocean Monroe Doctrine and Force’. From guano to copra to guns.

Britain’s former colonies in Asia were none too happy as news about these developments began to seep out. At the Non-Aligned Heads of State Conference in Cairo in October 1964, Sri Lanka raised the idea of a demilitarised Indian Ocean ‘zone of peace’, and received support from India. The Asian states took the initiative to the UN General Assembly, a body that had unexpectedly become a tribune for the newly sovereign states. The alarmed British and US security establishments, meanwhile, lopped off the Chagos Archipelago from Mauritius and redesignated it as the British Indian Ocean Territory, known by the unartful acronym BIOT. A few months later Denis Healey, Harold Wilson’s defence secretary, was asked in Parliament whether a military base was being built on Diego Garcia. He dissembled, claiming that neither the UK nor the US had ‘any specific plans for constructing military facilities on any of these islands’, while admitting that future military facilities were indeed ‘the justification for the establishment of the British Indian Ocean Territory’. Meanwhile *The New York Times* reported that ‘for Britain, Diego Garcia is nicely placed between her great bases at Aden and Singapore. Both are now threatened by local political pressures and British economic realities.’ The Pentagon, for its part, believed that Diego Garcia could fill a gap should US

communication installations in Pakistan and Ethiopia fall victim to the anti-imperial ‘political climate’ of the time. Which they eventually did.

There was a problem, however. The Chagos Archipelago was inhabited. Despite the fond wish of military planners on both sides of the Atlantic for another *terra nullius* on which to build a base, hundreds of people lived on Peros Banhos and Diego Garcia. A State Department official reported to his boss that the secret negotiations in 1964 gave the US ‘exclusive control, preferably without employing local inhabitants’. He also indicated that the Foreign Office had promised to transfer the islands in such a way as to ‘minimise substantially or remove the possibility that use of the islands could be hampered by external pressures for self-determination’. To achieve these goals the inhabitants were expelled. BIOT Immigration Ordinance No. 1, issued on 16 April 1971, made presence on the islands without military clearance a crime. Shortly thereafter the islanders were unceremoniously deported under the cover of darkness and dumped in old barracks in Port Louis, Mauritius, 1,600 nautical miles away.

Among the people displaced from Peros Banhos was a woman called Liseby Elysé. Elysé is at the centre of the story Philippe Sands tells in *The Last Colony* (2022), about the multiple cases Chagossians and the government of Mauritius have brought against the UK government in various legal forums. Sands, a specialist in international law, tells the story of the Chagossians’ struggle to return to their islands from the inside, since for the last ten years he has represented Mauritius in its claim to the Chagos Archipelago. There are also Chagossians who chafe at the idea of being claimed by Mauritius and have their own case against the British.

The Last Colony weaves together the story of Elysé’s search for justice with an account of Sands’ own evolution as a scholar and practitioner of international law. Along the way he sets out the history of the legal

institutions and international organisations embroiled in the case – among them the UN General Assembly and Security Council, and the International Court of Justice at The Hague. The narrative begins in 1945 with a speech given by the African American diplomat Ralph Bunche about decolonisation and ends in February 2022 when Sands, Elysé and other members of the Mauritian and legal delegations sailed to the island of Peros Banhos.

Although Sands himself relies on a range of international legal forums to contest global injustices, he acknowledges the fundamentally political nature of the law and the ideological attachments jurists bring to their cases. Sands portrays the Australian Percy Spender and the American Stephen Schwebel, two judges who served as president of the ICJ in the 1960s and 1990s respectively, as legally enrobed imperial apologists – though he doesn't quite call them that. During a case brought by Liberia and Ethiopia against apartheid South Africa in 1960, Spender engaged in underhand manoeuvres to exclude a Pakistani jurist from sitting on the bench, and went on to rule in favour of South Africa. Schwebel was the sole dissenting judge in a case at The Hague in 1986, when the court ruled against the US in favour of Nicaragua, which had demanded that the US cease mining its harbours and supporting the Contras. In a dissent twice as long as the judgment itself, Schwebel co-opted humanitarian arguments, somehow contending that the US support for the Contras and El Salvador's military incursions into Nicaragua actually arose out of commitment to self-determination and freedom.

Although Schwebel plays only a minor role in Sands' book, I recognised his name from another context. He was a young lawyer on a case decided in 1958 which gave Aramco – then owned by Standard Oil of California – effective sovereignty over Saudi Arabian oil. In a much later

reflection on the case, and on international arbitration in general, he defended the decision on the grounds that Standard Oil had been a ‘model investor’. For Schwebel, in disputes between foreign investors and newly decolonised sovereign states, the aim was to ensure that the states were ‘dethroned’.

Sands illuminates the various underhand schemes deployed by successive British governments in order to avoid their legal obligations to the Chagossians. In 2009 the US and UK concocted a plan to declare a vast oceanic zone around Chagos a protected marine reserve. According to Sands, David Miliband, then foreign secretary, was very keen on the idea. The plan would have scuppered the Chagossians’ right of return, leaving US military access and navigational rights untouched. A diplomatic cable from 2008, released by WikiLeaks, shows that British government lawyers wanted to distinguish Chagossians’ ‘right of abode’ from their ‘right of return’ as temporary visitors.

In the decades since the Chagossians’ expulsion, the initially ‘austere’ base at Diego Garcia has been greatly expanded. After the Soviet invasion of Afghanistan and the Iranian Revolution in 1979, first the Carter administration, then Reagan’s, began to plan a Rapid Deployment Joint Task Force which eventually became the kernel of Centcom, the branch of the US military that now has responsibility for the Middle East and Central Asia. Diego Garcia was the force’s main support base in the region. In 1980, Thatcher’s government agreed that the US could expand its use of the base, and demanded prior British approval only if the US wanted ‘to place nuclear weapons there or to use the facilities to support actual combat operations’. The State Department political officer who had negotiated the agreement gloated that ‘without this substantially expanded flexibility to

operate, we would have had trouble justifying to ourselves, let alone Congress, the $1 billion expansion program DOD has developed'. The US promised prior 'consultation' with the British government 'on any politically sensitive use of Diego', but was explicit about the fact that consultation didn't have to mean approval.

Extraordinary rendition was one such 'politically sensitive use'. In the War on Terror, Diego Garcia proved to be perfectly placed as a hub for the transportation of detainees, who were held and tortured at the base itself or on brigs anchored near it. This time the Pentagon didn't even bother to consult British colleagues. Although we don't have definitive information, it is thought that Ibn al-Shaykh al-Libi and Khalid Sheikh Mohammed – two Al-Qaida members captured by US Special Operations forces in Afghanistan and Pakistan respectively – may have been held in a prison built on the island in 1984, on their way to Guantanamo Bay detention centre. We do know that the anti-Gaddafi guerrilla leader and politician Abdelhakim Belhaj and his wife, Fatima Boudchar, were arrested in Malaysia in 2004 and rendered from a black site in Thailand via Diego Garcia back to Libya, where they were handed over to Gaddafi's torturers.

In their submission to the Foreign Affairs Select Committee's inquiry into the Overseas Territories, the UK human rights charity Reprieve reported that a Guantanamo Bay detainee had told them:

> One of my fellow prisoners in Guantanamo was at sea on an American ship … before coming to Guantanamo … he was in the cage next to me. He told me that there were about fifty other people on the ship. They were all closed off in the bottom of the ship. The prisoner commented to me that it was like something you see on

television. The people detained on the ship were beaten even more severely than in Guantanamo.

The ship USS *Bataan* was used as a floating prison near Diego Garcia. And the US's indefinite control of Guantanamo Bay is itself a legacy of the decades of island-hoarding that have shaped US maritime posture. Alfred Thayer Mahan would have been satisfied by the continued use of these islands, first as possessions exploited for extractive capitalism, and later as strategic positions in global imperial warfare.

Diego Garcia now has a population of around 2,500, with some 320 American and forty British military personnel, and nearly 2,000 civilian contractors running the base. The base's telecommunications network is operated by a company based in Bahrain and owned by members of the Bahraini royal family, who have been loyal servants of Britain and the US. The most frequent non-military visitors to the Chagos Islands are affluent yacht owners who, for a fee paid to BIOT, can enjoy the glorious palm-fringed shores, have barbecues on the beach and swim in the azure lagoons. But in October 2022, when Tamil refugees fleeing Sri Lanka on rickety fishing boats got too close to Diego Garcia, they were escorted by British forces back to the open seas.

Postscript: as this book went to press, the UK agreed to grant the sovereignty of the Chagos Islands back to Mauritius. Limited Chagossians resettlement will be allowed in the outer islands, while Britain will maintain control of Diego Garcia for the next 99 years, in order to ensure the continuation of the US military and naval presence on the island. After extensive legal challenges, Britain has ruled that Tamil refugees currently detained on Diego Garcia can be transported to the United Kingdom.

STUPID QUESTIONS: GENERALS AND CORPORATE LEADERSHIP

The founding myth of today's US Special Forces is the Iran hostage crisis of 1979. A group of college students had seized the US embassy in Tehran, demanding the extradition of the shah to stand trial in Iran. In an attempt to rescue the fifty-two US diplomats and military officers in the building, the Pentagon flew Delta Force troops in a C-130 transport aircraft from an island off Oman to the Great Salt Desert near the town of Tabas in Iran, where they were to meet helicopters launched from the USS *Nimitz* in the Arabian Sea. Massive sandstorms incapacitated some of the helicopters and caused one to slam into the C-130 full of soldiers and fuel, destroying both aircrafts and killing eight special operators. The mission was aborted.

You might think this a classic instance of imperial overreach. But the Joint Chiefs of Staff decided that the problem had been a lack of co-ordination between the branches of the military. So in 1987 the special operations units of the army, navy and air force were brought together under a unified Special Operations Command. Numbers and budgets soared. And the most elite of the elite – Delta Force, SEAL Team Six – were placed under the secretive Joint Special Operations Command (JSOC), headquartered at Fort Bragg, North Carolina. JSOC operators provided armed protection for oil tankers operated by US allies in the Gulf and for US installations in Lebanon, sabotaged petroleum facilities in Iran, invaded Grenada, Panama, Somalia and Afghanistan, and were the 'tip of the spear' in successive US punishments of Iraq. JSOC has classified budget line

items, collects its own intelligence, collaborates closely with CIA paramilitaries and bypasses Congress and sometimes even the Joint Chiefs when launching operations.

The exact number of US Special Forces is classified, but there are more today than ever before, and they are deployed in almost every country in the world. The point of covert action, of course, is that we're supposed to know very little about it. But here the system falls down, since even secret operatives can't help the occasional boast. After every famous mission – an assassination, a 'rescue', a counterinsurgency strike – former Special Forces members and their ghostwriters unleash floods of torrid prose. The assassination of Osama bin Laden in particular made celebrities of a number of ex-SEALs, including two who claimed to have fired the last bullet into the US's arch-nemesis. Books like *No Easy Day: The Autobiography of a Navy SEAL* (2012) and *Damn Few: Making the Modern SEAL Warrior* (2013) are shot through with anti-establishment *ressentiment*, bitterness and boatloads of swagger. A special operative can find himself being played by Mark Wahlberg in a big-budget movie, as Marcus Luttrell did in the 2013 adaptation of his memoir *Lone Survivor*, so secret military actions aren't something you want to keep quiet about. As one serving SEAL told the *Washington Post* in 2011, neatly encapsulating the contradiction, 'we're the dark matter. We're the force that orders the universe but can't be seen.'

Some Special Forces memoirs have been so popular they have led to pulp franchises. Richard Marcinko, the first commander of SEAL Team Six, later convicted of defrauding the US government, published his bestselling memoir, *Rogue Warrior*, in 1992 and followed it with more than a dozen thrillers fictionalising various SEAL missions. Eric Haney's memoir *Inside Delta Force* (2002), which described operations in Iran,

Panama and Nicaragua, was heavily criticised by his former comrades for what they said were fabrications – but that didn't get in the way of his subsequent career as a novelist, screenwriter and TV host, or his cameo in *Iron Man 2*.

Recently, however, a wave of newly retired special operators from the War on Terror years have specialised in a different genre: the business self-help manual. These former military officers feel that a career spent planning deadly missions and leading men into messy wars makes them uniquely qualified to offer 'Battle-Tested Strategies for Creating Successful Organizations and Inspiring Extraordinary Results', as the subtitle of one such manual puts it. Arguably the most successful current practitioner of the genre is the retired four-star general Stanley McChrystal, who has never been shy about using his own achievements to show how a leader gets things done.

McChrystal, who comes from a military family, attended West Point in the 1970s, where he was by all accounts a troublemaker and a roisterer. In interviews and in his writings, he frequently emphasises the role of the failed hostage rescue in Iran in shaping his views on military action. He argues in several of his books that, even though the operation 'called for a string of miracles', it should never have been aborted, no matter the possible outcome (probably a bloodbath in Tehran). I was a child at the time, living in Mashhad, 300 miles north of Tabas. The Islamic Republic broadcast images of the incinerated wreckage of the aircraft on TV and invoked the Elephant (*Al-Fil*) chapter of the Quran to explain the 'miraculous' US defeat. In *Al-Fil*, an Abyssinian king rides an army of elephants through the desert to conquer Mecca but is defeated when God sends vast flights of swallows to rain pebbles on the elephants.

Galvanised by the spectacle of the Delta Force failure, and with experience as a Green Beret, paratrooper and mechanised commander, McChrystal rose quickly through the ranks. He was deployed for a few months to Afghanistan in 2002 before returning to serve in the office of the Joint Chiefs as the Pentagon's debriefer to Congress and the press. He went on to command JSOC in Afghanistan and Iraq, and was tasked with the capture first of Saddam Hussein and later of Abu Musab al-Zarqawi, head of Al-Qaida in Iraq. In his time at JSOC, McChrystal brought its fractious army and navy components closer together, better aligned it with the CIA and NSA, and introduced modern methods and information technology into a world that prized what the Bush-era euphemism called 'kinetic military action' – i.e. killing – over language skills, local intelligence and analytic capabilities. Whether any actual change resulted from McChrystal's efforts is doubtful, however, given the number of civilians killed by JSOC and the vast number of Iraqis who turned against the invading forces.

In 2009, by now a general, McChrystal was put in command of NATO forces in Afghanistan. He was soon calling for an increase in US troop numbers to 'defeat' the Taliban. A year later, Obama asked him to resign. It didn't help that McChrystal and his staff – including Mike Flynn, who went on to become Trump's national security adviser – had made indiscreet comments to a *Rolling Stone* reporter about the inadequacies of Joe Biden, the diplomat Richard Holbrooke and Obama himself. Despite Flynn's later contempt for Hillary Clinton – he led the chants of 'lock her up' at the Republican National Convention – she was well liked by McChrystal's aides because she 'had Stan's back'. Many in JSOC never forgave the Obama administration for this slight against a commander they adored.

McChrystal's self-mythologising – ten-mile daily runs, single daily meal, beer and bonding sessions with his subordinates – was admired by

those in special operations, who had little respect for lesser mortals with four stars on their epaulettes. The regular military, however, did not worship McChrystal, or the rules of engagement he applied in Afghanistan. His preference for deploying small covert teams away from prying eyes clashed with the expansive boots-on-the-ground counterinsurgency operations that could be scrutinised by reporters, Pentagon higher-ups, politicians and NATO allies. McChrystal's methods weren't popular with the people of Afghanistan either: civilians were captured and killed, villages and livelihoods destroyed, and the US pursued close relationships with the kleptocrats and warlords who had milked the country dry.

After resigning and retiring from the army, McChrystal was very briefly at a loss. His friend Dave Silverman, one of the aides who had got him in trouble with Obama, suggested that if he wanted to make 'a boatload of money' he should 'go into defence contracting'. Instead they set up McChrystal Group, a management consultancy. In 2013, as the firm was establishing itself, McChrystal published a memoir, *My Share of the Task*, at once a *mea culpa* for his political indiscretions and a celebration of what he sees as his transformation of JSOC. Not much in the memoir, which was closely vetted by the Pentagon, would surprise anyone who has followed the work of the many investigative journalists who have succeeded in bringing JSOC's malfeasances to light. But one detail was new to me: I had heard that there were screenings of Gillo Pontecorvo's *Battle of Algiers* at the Pentagon and US overseas bases in 2003, a time when the US military was desperate to learn lessons from past counterinsurgencies, even if they came from a film made by an anti-colonial communist. I hadn't known that this was McChrystal's idea. He also told his officers to read Roger Trinquier's *Modern Warfare* (2006), a French counterinsurgency handbook

summarising tactics that were used in Algeria and famous for its advocacy of torture.

McChrystal followed his memoir with three business self-help manuals, published at three-year intervals and copyrighted to the firm rather than McChrystal himself – logical enough, since they also function as marketing brochures for the business and the royalties can likely be written off as a business expense. The first, *Team of Teams* (2015), co-authored with Silverman and two other retired SEALs, outlines the reorganisation of JSOC under McChrystal's command. Since McChrystal and his colleagues believe that 'business is exactly like war', the JSOC experience is presented as a model for corporate restructuring. Presumably because leadership is partly about setting an example, McChrystal's seminars on his organisational philosophy were said to begin with gruelling calisthenics and CrossFit sessions before dawn for tech-industry clients who would later be regaled with stories of the JSOC days.

The next book, *Leaders* (2018), was co-authored with Jeff Eggers, another former SEAL and a special assistant for national security at the Obama White House. It had a foreword by Walter Isaacson, then head of the Aspen Institute, which receives substantial funding from Saudi Arabia and the UAE and has been described by the *Economist* as 'a cross between a think-tank, a celebrity summer camp and a liberal-arts college'. Every summer it holds a festival of ideas where the great and the good from governments, universities, corporations and foundations, as well as Hollywood celebrities with intellectual pretensions, come to play. This is the sort of audience *Leaders* has in mind. The book includes superficial references to Greek and Latin classics and – naturally – to Sparta. Its catalogue of model leaders begins with the Confederate general Robert E. Lee, long idolised by McChrystal as a flawed but brilliant military

commander, and moves on through a baffling assortment of characters ranging from Walt Disney and Coco Chanel (‘Founders’) to Martin Luther and Martin Luther King (‘Reformers’), with detours via the exploits of Robespierre and Abu Musab al-Zarqawi (‘Zealots’) and Boss Tweed and Margaret Thatcher (‘Power Brokers’).

In 2020 McChrystal Group took aim at an area of business at least as lucrative as defence contracting: public health. The WHO estimated global healthcare spending in 2018 at $8.3 trillion annually, or 10 per cent of global GDP, and Covid-19 has increased the amount significantly. A substantial portion of this is spent in the United States, where per capita health expenditures are the highest in the world. *Risk* (2021), McChrystal’s Covid-era book, is the calling card for McChrystal Group’s attempts to win Covid contracts with municipal and state governments. It begins by trying to account for the federal government’s failure to deal with the pandemic, without ever naming Trump or the Republican politicians who turned it into an anti-Chinese hate-fest. It also name-checks ‘a brilliant Yale immunologist’ called Kristina Talbert-Slagle, in fact not an immunologist but a professor of public health, who some years ago co-presented a session with McChrystal at the Brookings Institution on the similarities between counter-insurgencies and immunological responses.

Like McChrystal’s earlier books, *Risk* stitches together a patchwork of personal vignettes, anecdotes about famous figures and business case studies (some of which have been recycled in all his books). Some of the juxtapositions between ‘case studies’ are nauseating. In a chapter on ‘diversity’, the Selma civil rights march immediately precedes a celebratory account of the world’s impending annihilation in the Cuban Missile Crisis. Martin Luther King’s stern admonishment of the white moderate in his letter from Birmingham jail is sandwiched between the story of Blockbuster

losing out to Netflix and an account of deadly night raids into Afghan civilians' homes in a chapter called 'Action'.

The US corporate world has long adored 'how to succeed' manuals. Dale Carnegie's *How to Win Friends and Influence People* (1936) – whose Persian translation I read as a teenager baffled by its universal pretensions – was an advertisement for his corporate training and public speaking business. The wildly successful 1980s autobiography of the automotive executive Lee Iacocca was followed by his business manual, *Where Have All the Leaders Gone?* (2007), which offered hackneyed advice about the ten 'C's that characterise a good leader (one of them – surprise – is 'common sense').

But even more enticing than the life lessons of corporate executives are war manuals redeployed as business handbooks. For a time, Sun Tzu's *Art of War* was required reading on many MBA programmes. But even better than a millennia-old war manual is the wisdom of a charismatic four-star general who can quote Marcus Aurelius, spout corporate diversity bromides better than Robin DiAngelo, and tell stories of hunting Al-Qaida operatives with some of the toughest motherfuckers on earth. As an unnamed Deutsche Bank executive told the *Washington Post*, 'senior management is much more likely to listen to military commanders because they're cool and they've killed people than to a McKinsey guy in a pinstripe suit'.

The business world's ardour for the generals translates into five-figure speaking fees and lucrative positions on corporate advisory boards. It's an indictment of the close links between the US military complex and extractive industries that military leaders can go from upholding the West's dominion over resource-producing countries to advising its business elite, who themselves go on to expand the reach of corporations which require miliary backing to secure control over new resources. According to the

same *Washington Post* article, McChrystal has made millions from sitting on corporate boards, including that of an engine manufacturer which defrauded the US Marine Corps by selling them armoured vehicles at an inflated price. McChrystal was also invited by General Doug Brown, who as the head of Special Operations Command was his boss between 2003 and 2007, to join the board of a Virginia-based company called Knowledge International. KI's uninformative website doesn't mention that it's the US arm of a UAE-based firm set up by a former Emirati special operator with close connections to the ruling family of Abu Dhabi. The firm exports 'defence products and services' to the UAE – one of the services being training by former US military officers. One of them is Stephen Toumajan, who served as a night stalker or special operations pilot under McChrystal in Iraq and headed the Emirates' Joint Aviation Command when the country was still in coalition with Saudi Arabia, bombarding Yemeni cities.

In *Risk*, McChrystal writes about his time on the board of the US division of Deutsche Bank: 'I was able to offer a very different, albeit less experienced, point of view. Although I often felt self-conscious asking "stupid questions", upon leaving, my fellow board members would send me off saying they valued those very queries.' While McChrystal's macho style and stupid questions may have had a certain appeal, it's possible that he was valued more for his military connections. It's hard not to be reminded of the fraudulent blood-testing corporation Theranos, whose board included Sam Nunn, a former head of the US Senate's Armed Services Committee, the former secretary of state George Shultz, the former secretaries of defence Bill Perry and Jim Mattis, and even Henry Kissinger, none of whom had any knowledge of haematology or phlebotomy, but all of whom could provide a gateway to lucrative Pentagon contracts. Theranos's founder, Elizabeth Holmes, even courted Special Operations Command, but this

potential liaison was thwarted by the US Food and Drug Administration, which didn't think much of her blood-testing machine.

In an acute diagnosis of the power elite in the mid-twentieth century, the sociologist C. Wright Mills described US military men as 'the warlords [who] along with fellow travellers and spokesmen, are attempting to plant their metaphysics firmly among the population at large'. Military men and diplomats now serve on the boards of companies whose business they know nothing about and are given direct access to the training grounds of the captains of industry and politics. The first position McChrystal was offered when his military service ended was at the Jackson School of Global Affairs at Yale University, where he taught a course on leadership. Yale was a springboard for an executive leadership programme which he offered to businesspeople at a cost of $15,000 for five days, calisthenics included.

Retired military officers and national security officials often find hospitable homes in elite public policy institutions such as Yale's Jackson School, Harvard's Belfer Center and Stanford's Hoover Institution. Junior and mid-career military officers benefit from these institutions too, thanks to generous endowments by captains of industry. Take, for example, the Recanati-Kaplan Foundation fellowship for intelligence officers at Harvard, or the Petraeus-Kaplan-Recanati fellowship for special operators at Yale. They are both endowed by Thomas Kaplan and his wife, Dafna Recanati, and were designed with input from General David Petraeus, the disgraced former head of the CIA. Kaplan made his billions investing in Bolivian silver mines, African gold and platinum and US natural gas. He is the head of Tigris Financial Group and Electrum Group, in which the Emirati and other Gulf sovereign wealth funds have a substantial share. Kaplan and Recanati have a lavish collection of Vermeers, Rembrandts and other Dutch masters, and have funded a nature conservancy research centre at Oxford.

At Yale, their fellowship programme now falls under the auspices of the International Leadership Centre at the Jackson School, which was founded by Emma Sky, who served as political adviser to the commanding general of US forces in Iraq, the late Ray Odierno.

In the aftermath of each US imperial war, without even a minimal reckoning like the Church Committee after the Vietnam War, the very people responsible for the wreckage of countries and the killing of millions swan on to the next lucrative assignment. In Iraq and Afghanistan – and Pakistan and Yemen and Somalia and Syria and Mali and Niger and many other places – McChrystal's men were given licence to commit atrocities. They blew down doors and burst into civilians' houses. They destroyed farms and crops and wells and flattened towns and cities. They shot innocent passers-by, suspicious-looking shepherds, speeding drivers, motorcyclists riding 'in formation', journalists carrying cameras that looked like weapons. Their snipers took out random men and women and children. They killed prisoners and amputated their limbs to take as trophies. In search of real and imagined bad guys, the special operators took families hostage and tortured detainees in Camp Nama and Bagram Airbase – anywhere inaccessible to reporters and the Red Cross. Military whistle-blowers like Chelsea Manning languished in prison, or died in abjection in care homes, devastated and demeaned like Ian Fishback. And the men who led them went on to be feted in classrooms and boardrooms, to preside over universities, publish bestsellers, collect starry-eyed puff pieces in the business sections of newspapers, star as the dark and brooding heroes of motivational war fiction and set up profitable consultancy firms to join the coteries of better-established grift machines.

MANAGEMENT CONSULTING: IN CLOVER

Vega Gupta's wedding was a four-day, $3 million extravaganza held at a five-star hotel in Sun City, South Africa, in May 2013. Two hundred guests arrived from New Delhi on a chartered Airbus that was allowed to land at a nearby military airbase. Vega's uncle Atul Gupta met the guests, who were taken to the resort without any passport or visa checks. One hundred and thirty chefs had been flown in from India to cook 'strictly vegetarian' Chinese, Greek, Italian, Indian, Mexican, South African and Thai food. Personal servants were allocated to the most important guests. South African attendees included President Zuma's daughter Duduzile, his son Duduzane (accompanied by Miss South Africa, Tatum Keshwar) and Zuma's billionaire benefactor Vivian Reddy. Heads of several government ministries, South African Airways, the South African Revenue Service, the national electricity company Eskom and the state rail, maritime and pipeline agency Transnet also turned out for the occasion – along with fashion, media, sports and Bollywood celebrities, university vice-chancellors and senior partners of McKinsey & Company, KPMG and Deloitte South Africa. In a leaked email, the CEO of KPMG Africa enthused to Vega's uncles: 'I have never been to an event like that and probably will not because it was an event of the millennium.'

Atul, the second of the three Gupta brothers, was the first in the family to emigrate to Johannesburg, where he set up a computer business in 1994. His brothers, Ajay and Rajesh 'Tony' Gupta, soon joined him, encouraged by the business-friendly policies of the new ANC government. The Guptas

cultivated connections with ANC politicians and invested in media, infrastructure, cable television and coal- and uranium-mining. Rajesh, the youngest, was Duduzane Zuma's business partner, and Duduzane sat on the board of several Gupta concerns. Duduzile Zuma and one of Jacob Zuma's wives were also hired by Gupta businesses.

After Zuma's downfall in 2018, a commission of inquiry led by Justice Ray Zondo found that the Guptas, aided by the president, had cajoled, threatened and bribed civil servants and politicians to help their businesses. The report describes how the 'Zuptas' replaced the heads of government organisations and diverted billions' of rands' worth of contracts to companies secretly or openly owned by them. In one instance, contracts for a dairy farm intended to provide employment and nutrition for impoverished communities were issued to a Gupta shell company and the payments routed to secret accounts in the UAE. While the animals starved on the farm, the payments were used to meet the bill for Vega's wedding party. This may have been the most brazen of the brothers' acts of state capture, but not the most important: their manoeuvrings hobbled the South African taxation agency's revenue collection abilities and bankrupted state-owned businesses including Eskom, South African Airways and the arms manufacturer Denel. According to Cyril Ramaphosa, the South African president, the Guptas plundered an estimated $32 billion – around 10 per cent of the country's annual GDP.

They had help. The report also charted the entanglement of transnational professional services companies in the Zupta money-making machine. Bell Pottinger, the now defunct public relations firm that worked for unsavoury people and governments from Pinochet and Asma Assad to Alexander Lukashenko and the governments of Bahrain and Egypt, ran an 'economic emancipation' campaign on behalf of the Guptas and Duduzane

Zuma attacking ‘white monopoly capital’ – as distinguished, presumably, from the Guptas’ non-white monopoly capital. Europe’s largest software maker, SAP, paid kickbacks to a Gupta front company to get its customer service software licensed for use by South Africa’s Department of Water and Sanitation. At the behest of Zuma, who regularly met with the firm’s managing partner in South Africa, Bain & Company consultants reorganised the South African Revenue Service. A raft of experienced officers were lost and the agency’s investigative powers curtailed. KPMG, which audited the Guptas for fifteen years, wrote off Vega’s wedding costs as a business expense. PwC, the auditor of South African Airways, concluded that the company was in compliance with regulations, when it was actually being deliberately mismanaged and looted by Zupta front organisations. The airline declared bankruptcy in 2019.

Strategic consultants at McKinsey & Company were also implicated in the undermining of South African Airways. Among the charges levelled by the Zondo report is ‘the use of external service providers when there were already ably qualified and skilled staff working within the various [agencies]. This use of duplicate external service providers was often a means by which corruption was allowed to flourish.’ McKinsey South Africa also partnered with two Gupta front companies, Regiments Capital and Trillian Capital Partners, to secure contracts with Transnet and Eskom. In each case, Zupta functionaries in the state-owned enterprises worked closely with the Gupta front companies, enlisted their help in devising bid conditions, informed them of the details of rival tenders, and used unusual fee structures to overpay them. Infrastructure projects, especially when funded by the state, are always highly remunerative for consultants, planners, designers and engineers. And despite their protestations to the contrary, these state projects keep consulting firms in clover.

McKinsey, founded in Chicago in 1926, opened its first overseas office in London in 1959. Soon, the company was working on projects at the BBC, British Rail, the General Post Office, the NHS and the Bank of England, charged with reorganising, finding ‘efficiencies’ and generating savings. McKinsey helped nationalise British Steel, and then helped privatise it. In 1967, the British Transport Docks Board commissioned it to produce a report on containerisation. Dockers in London and Liverpool had been striking throughout the year in an attempt to de-casualise the process of hiring workers. As the minister of labour, R. J. Gunter, reported to Parliament,

> there has been a virtually complete strike of dockers in Liverpool and Birkenhead since 18 September. In London, the Royal Group, West India and Millwall docks, and to a lesser extent London and St Katharine’s docks, have also been affected. These strikes, which are unofficial, now involve about 16,000 men, and have caused serious interference with trade, in particular with exports.

In its report, McKinsey suggested that containerisation was the palliative for an unruly workforce whose demand for better wages and working conditions was eating into the profits of the shipping and port management companies. McKinsey argued that containerisation would better utilise ‘material resources … through improved process control’. More important, ‘expensive labour can be replaced with cheaper capital equipment’. McKinsey had arrived at the same conclusion that Aristotle Onassis did after the Second World War. Cutting back on labour was not only value for money: it removed the unpredictable human factor.

I was hired by the Houston office of Andersen Consulting straight out of an engineering undergraduate degree in 1991. Every spring, the consulting firms arrived on campuses and scooped up imminent graduates with good grade point averages. They hired everybody from engineers to English majors, though those with a technical education were put on a starting salary of $27,000 a year; the humanities graduates earned a few thousand dollars less. In the 1980s and 1990s, the Big Six accounting and professional services firms – previously the Big Eight, later Big Four – all had consulting operations, which enabled them to provide clients with strategic advice and software services as well as fulfilling their original tax and audit functions. Andersen Consulting was the only one to have branched off from its parent company, Arthur Andersen, under a slightly different name.

The Andersen Consulting new hires were shipped to a programming boot camp in St Charles, a suburb of Chicago. None of us had cars, so the three weeks there were spent entirely on campus, working overtime, getting blind drunk and secretly snogging one another in the stairwells. The boot camp wasn't just about teaching us a programming language (COBOL was soon obsolete anyway). It was really a process of habituation – or indoctrination – into working very long hours and performing competence and confidence. Afterwards, we were all sent back to our respective offices and from there to client sites. Many of us wished we could work in the New York or Chicago offices, but those jobs seemed to be reserved for graduates of Ivy League universities. Regional offices served the businesses based in their states, and the practice continues today.

My first client was USAA, a San Antonio-based insurance company serving the US military, as well as veterans and their families. I think we were installing a piece of customer service software for them, built from

scratch. The Andersen team at USAA included two dozen new consultants like me. We weren't earning a great deal but were being charged to the client at hundreds of dollars per person per hour. We worked long hours: seventy- or eighty-hour weeks weren't unusual. We learned software design on the job, but never really knew much about the business, compared with the experienced USAA employees whose tasks we were automating.

There was an expectation of massive staff turnover at Andersen, and if you hadn't made 'senior' in two years you were gently ushered out of the firm. When I hooked up with another Andersen consultant in Atlanta, I moved there and got a similar job at Price Waterhouse (which later merged with Coopers & Lybrand to become PricewaterhouseCoopers or PwC). I was assigned to projects designing customer service software for the local mobile phone company; circulation and advertising systems for mid-sized newspapers owned by Thomson Reuters throughout North America; and, best of all, pre-internet matchmaking software to be installed in kiosks and used by lonely hearts.

A few years after I left Andersen, the company changed its name to Accenture. A commercial dispute had begun between Andersen Consulting and its audit and tax counterparts at Arthur Andersen, after the latter set up a rival in-house consulting group. After three years, a commercial arbitrator decided to sever the relationship between the two firms, and in January 2001 the consulting business was forced to give up the Andersen name. A few months later, when Arthur Andersen's criminally negligent audit of Enron led to both companies' collapse, Accenture's $100 million rebranding exercise must have seemed like a blessing in disguise.

When I was first hired, Andersen Consulting had 21,000 employees. Today Accenture employs 721,000 consultants around the world, has 10,000 managing partners and is listed on the New York Stock Exchange.

The vast majority of staff are involved in installing software – often designed by specialist firms like Oracle or SAP – and managing the data storage and access infrastructures for large firms and governments.

In the US and abroad, the Big Four professional services firms and Accenture work alongside Booz Allen Hamilton, which provides technical consulting services primarily to governments, including military and intelligence agencies. Edward Snowden, who in 2013 leaked a trove of signals intelligence data and revealed US domestic and foreign mass surveillance programmes, was a Booz Allen consultant at the NSA and before that an agent at the CIA. Booz Allen also helped the UAE set up its intelligence agency with the blessing of its US counterparts, passing on skills in ‘data-mining, web surveillance, all sorts of digital intelligence collection’ to the Emiratis so that they could, for example, better track Iran’s activities.

Management consulting, in its various guises, is the bastard child of Frederick Taylor’s ‘scientific management’ and engineering-besotted railway-planning in the age of US continental colonisation. The top-tier strategists in central offices descend from the former; the software developers in regional outposts from the latter. Strategic corporate work in the early years included consulting on executive compensation, product-marketing surveys, organisational restructuring, and budgetary and operational controls. On the engineering and technical side, large-scale complex systems like energy providers, railways and maritime transportation lent themselves to pseudo-scientific consulting platitudes that provided – for a handsome fee – copyrighted guides to efficiency, strategic growth and operational effectiveness. The aim was to maximise profit, enrich management and shareholders and circumscribe worker militancy.

Outside the US, as the Cold War raged, management consultants were willing foot soldiers in the global battle for capitalism. A 1960 report by *The New York Times* exalted the US firms that were ‘aggressively’ packaging and marketing management advice on ‘whatever their specialities – dams, textiles, or general management help’. As the *Times* put it, ‘besides being asked to aid United States companies seeking to stake out new markets abroad’ consultants were also ‘in heavy demand among the foreign concerns eager to resist the invaders’.

The first consulting firms to set up offices in Europe – McKinsey, Booz Allen Hamilton and Arthur D. Little – initially served corporate clients. But they also worked closely with governments in Asia, Africa and Latin America. In Puerto Rico, Richard Bolin of Arthur D. Little advised the US colonial administration and was involved in setting up a factory enclave subject to minimal regulations in 1947 – he called it Operation Bootstrap. The enclave became a model for export processing zones, or free zones, worldwide. Bolin developed the use of *maquiladoras* in Ciudad Juárez on the Mexico–US border. These are duty- and tariff-free factories using cheap Mexican labour to produce goods for export to the United States. The number of *maquiladoras* increased hugely after the North American Free Trade Agreement was signed in 1994. They are known for their exploitative conditions and the horrific femicide of workers and local activists, memorialised in Roberto Bolaño’s monumental novel *2666* (2004).

Booz Allen Hamilton’s clients in the 1950s mapped the US’s Cold War interests. The former CIA agent Miles Copeland – father of the Police drummer, Stewart Copeland – was employed by Booz Allen fresh after instigating coups in Syria and Iran. In 1953, he was sent to Egypt on assignment from both his former and current employers. His Booz Allen consulting work involved tracing the complex holdings of the Egyptian

national bank, Banque Misr. The CIA wanted him to help President Nasser organise a new intelligence agency, the Mukhabarat. In the same year Booz Allen was brought in to set up a register of land ownership in the Philippines, where Edward Lansdale of the CIA was directing covert operations against the Huk insurgency of landless peasants. In the face of communist and anti-colonial demands for the expropriation of large landowners – including US companies – management consultants instead touted the benefits of gradual reform, including issuing titles to small plots of land, to relieve revolutionary pressures.

In 1957, McKinsey was hired by Royal Dutch Shell, then the world's largest oil company, to decentralise its management across its two headquarters in The Hague and London. The decentralisation model was so ardently adopted – in the US, it was applied even to universities – that by the early 1970s, as the historian of management consulting Christopher McKenna has argued, the major firms had 'quite literally decentralised most of the large companies in Europe'. To keep their profits flowing in, management consultants turned to big state institutions, reorganising government departments, conducting industrial studies and evaluating international markets.

Even when their projects failed – a McKinsey-led reorganisation of the NHS in 1974 was a 'proliferation of paper' and a bureaucratic mess, according to Walt Bogdanich and Michael Forsythe's *When McKinsey Comes to Town* (2022) – they were hired again and again by the British government to reduce employee numbers and institute unpopular reorganisations that seemed merely to thicken the ranks of middle managers. They also provided plausible deniability to the ideologues in power. The abundance of privatisation projects initiated when Thatcher was prime minister was presented as being driven simply by the need for good

management. But McKinsey's work continued – and accelerated – under New Labour. Tony Blair's policy adviser on the NHS, Penny Dash, went on to join McKinsey, and a McKinsey senior partner, David Bennett, became Blair's chief policy adviser, and later the chief executive of Monitor, the NHS regulator. The revolving door between McKinsey, regulators, policymakers and businesses is a consistent feature of the consulting businesses.

Recent scholarly books and investigative journalism about McKinsey are damning accounts of the way the company has made workplaces unsafe, ditched consumer protections, disembowelled regulatory agencies, ravaged health and social care organisations, plundered public institutions, hugely reduced workforces and increased worker exploitation. *When McKinsey Comes to Town* begins with an account of McKinsey-driven cost-cutting at US Steel, which led to the deaths of two steelworkers. Similar measures at Disney resulted in a young man being crushed to death on the Big Thunder Mountain roller coaster.

Decades after the consequences of smoking became clear, McKinsey continued to work for the big tobacco producers. As the extent of the US opioid epidemic was revealed, McKinsey advised Purdue Pharma to find 'growth pockets' where OxyContin could be more easily prescribed, and lobbied regulators for laxer rules on prescriptions. McKinsey's unethical activities pack the pages of Bogdanich and Forsythe's book, while its supercilious vocabulary of 'values' and 'service' runs like an oil slick over slurry.

Understanding the role that management consultancies play is crucial if you want to grasp a full picture of the global economy, and why corruption on the scale of the Zuptas in South Africa can be so abundant and so hard to stamp out. It can also tell us something about the destructive influence of

extractive thinking in the West, when asset-stripping public resources becomes the norm thanks to the close partnership between consultants and neoliberal governments. Whether they consider themselves political entities or not, the primary product sold by all management consultants – both software developers and strategic organisers – is the theology of capital. This holds that workers are expendable. They can be replaced by machines, or by harder-working employees grateful they weren't let go in the last round of redundancies. Managers are necessary to the functioning of corporations – or universities, or non-profit organisations – and the more of them the better. Long working hours and bootstrap entrepreneurialism are what gives meaning to life. Meritocracies are a real thing. Free trade, laissez-faire capitalism and reduced regulation are necessary stepping stones towards the free-market utopia. There is also a faith that this work is helping 'create positive, enduring change in the world', as McKinsey's mission statement puts it.

Many management consulting firms' most lucrative contracts are with crisis-hit governments. Healthcare services during the Covid-19 pandemic were a huge source of profit. A ProPublica investigation in July 2020 found that McKinsey was making '$100 million (and counting) advising on the [US] government's bumbling coronavirus response', but it wasn't clear 'what the government has gotten in return'. Around the same time, the UK government paid the firm £560,000 for a six-week project to provide 'mission and vision' for the track and trace programme headed by the Tory life peer Dido Harding, herself a former McKinsey consultant. Harding's husband, John Penrose, another former McKinsey consultant and a Tory MP, was at the time the 'anti-corruption champion' at the Home Office. During the pandemic he hit the headlines for trying to absolve Owen

Paterson, a fellow Tory MP, who had improperly lobbied on behalf of a private firm specialising in Covid-testing.

By May 2021, the UK government had paid more than £600 million to management consultants for Covid-19-related projects, with Deloitte's £279-million contract to deliver a track and trace system the largest single item. Accenture and McKinsey had thirty-two contracts between them. The details of many of these are still to be revealed. Meanwhile, NHS Digital, the national provider of information services to the NHS, paid 15 per cent of its 2018–19 budget to Accenture for software projects. The chair and one non-executive director of NHS Digital were former senior employees of the firm. In September 2021, Accenture was awarded up to £2.6 billion in contracts with the UK government for hardware, software and IT advice.

A US government website records the number of federal contracts given to various contractors. For some consulting firms, the trajectory of spending has risen steadily since 2009. The graph showing McKinsey, Boston Consulting Group and Booz Allen Hamilton contracts spikes during the Trump administration. The Department of Homeland Security and the Pentagon paid all three firms lavishly for 'engaging human-centered design', developing a 'culture of continuous improvement' and other meaningless bits of management-speak festooned with cryptic acronyms. In many cases, the contracts are labelled 'solicitation only one source', meaning that no rival bids were sought. Two contracts with the US government procurement agency, the General Services Administration, which earned McKinsey $1 billion between 2006 and 2019, had to be terminated because the company refused to submit to an audit.

McKinsey's most controversial recent public contract in the US was with Immigration and Customs Enforcement. It had been tendered under Obama, and was originally awarded for a reorganisation of the agency.

After Trump took office, the project became quite different: to help the agency halt ‘illegal immigration’. McKinsey’s report for ICE suggested cost-cutting measures such as reducing food and medical budgets in detention facilities, as well as speeding up deportations. McKinsey was also awarded contracts with Customs and Border Protection for projects on ‘impedance and denial capability’ and ‘programs that discourage illegal entries’. The subject of one contract was a single word: ‘Wall’. When the younger and more liberal consultants at McKinsey expressed their distress about the company openly doing the xenophobic president’s dirty work, the senior partner in charge sent an email to the entire firm reminding staff who they worked for.

Overseas, McKinsey, Boston Consulting Group and Booz Allen Hamilton have aligned themselves with Mohammed bin Salman, who has monopolised the levers of power in Saudi Arabia since his father became king in 2015. Booz Allen’s work in the kingdom pre-dates his rise. In 2012 the US government sent it there to prepare and instruct the Saudi Navy. The company also has a contract to train Saudi Arabia’s cyber workforce, especially in ‘information operations’. McKinsey and Boston Consulting have provided the crown prince with the jargon of capitalist efficiency. McKinsey has been so entangled in Saudi government business that the Ministry of Planning is nicknamed the Ministry of McKinsey. It was also responsible for a report about the poor public reception of bin Salman’s policies, in which detailed profiles of critics were featured alongside their photographs. Khalid al-Alkami, one of the profiled men, was arrested before the report was released in 2018. Another critic, Omar Abdulaziz, a Canadian resident, was called out for having written ‘a multitude of negative tweets on topics such as austerity and the royal decrees’. Abdulaziz’s two brothers in Saudi Arabia were arrested, and Pegasus

spyware, widely sold by Israel's NSO Group to repressive Arab regimes to monitor dissidents, was put on his phone. Jamal Khashoggi, who was murdered in the Saudi embassy in Istanbul in 2018, had been among Abdulaziz's regular contacts.

In 2016, Boston Consulting and McKinsey staff accompanied five of the crown prince's courtiers on a tour of the US, where they regaled tech bros, think-tankers and media magnates with bin Salman's plans for the kingdom. Not long afterwards, Thomas Friedman of *The New York Times* wrote a rapturous profile – 'I, for one, am rooting for him to succeed.' McKinsey also sketched the framework for Saudi Arabia's Vision 2030 – a festival of privatisation, technological innovation, commercial disruption and other familiar bromides – and Boston Consulting Group produced the final report. The crowning glory of bin Salman's vision is Neom, a futuristic city being built near the Jordanian border in north-west Saudi Arabia. In the non-fantasy world, Neom is an inexhaustible resource for foreign consultants. In the fantasy world, the Neom plans drafted by McKinsey, Boston Consulting and Oliver Wyman once included flying cars, robot maids, hologram faculty teachers, a giant artificial moon, glow-in-the-dark beach sand and a medical facility whose aim is to 'modify the human genome to make people stronger'. Not to mention The Line, a pair of 110-mile-long buildings originally designed to accommodate 9 million people. The marketing material calls it a 'revolution in civilization', yet with few foreign investors having bought into the consulting firm fantasy, the length of The Line has been dramatically downgraded to just 2.4 kilometres.

Many of the promised features involve subtracting ordinary humans from the social equation. Robot maids and self-flying taxis won't organise a union, and hologram faculty won't give children any revolutionary ideas.

The brave new world of labour discipline is already here, and management consultants' cost-cutting measures and new techniques for the evasion of regulation have ushered it in. All the services these firms present as merely ways of helping businesses and government departments run more efficiently – management consulting, audit, software development – are in fact focused on enabling capitalists to enrich themselves further without the inconvenient interference of workers, taxpayers or regulation. Thanks to the hegemonic model McKinsey and other management consultants invented, these firms not only make and remake businesses and government the world over in the image of their laissez-faire fantasies, but see *Homo economicus* as the last word in modern selfhood.

HIGH-TECH HELLSCAPE

Neom's name is a portmanteau of neo (Greek for 'new') and *mustaqbal* (Arabic for 'future'). Its blueprints include The Line, initially billed as a 110-mile-long linear city of two parallel lines of buildings mirroring each other; an industrial and logistics zone named Oxagon that will be reclaimed from the Red Sea; and an artificially created ski resort called Trojena. Neom is being financed by the Saudi sovereign wealth fund, or PIF. Bin Salman has, with the aid of a partial public offering of the state-owned oil company Aramco, re-engineered the previously sleepy PIF into a $700 billion machine to transform the country from an oil producer into a tech haven.

Neom's planners have paid for two kinds of promotional videos on social media. The first are clips in which attractive white people waft around to a soundtrack of soaring electronic music in CGI-produced futuristic landscapes. Impossibly slick skyscrapers rise out of mountainous crags, impossibly green gardens grow from the desert, and an impossibly linear city the height of the Empire State Building runs along the majestic dry riverbeds.

This professional social media campaign has, of course, been created for investors. In an interview with Bloomberg in 2017, the day after bin Salman had announced the inauguration of the city, he speculated that by 2030, investments in Neom would add $100 billion to the country's GDP. The city is meant to attract Silicon Valley tech moguls and venture capitalists, and the slick promo videos embody their fantasies: fully

automated ‘smart’ spaces with media hubs and wellness and biotech centres – all emptied of troublesome workers.

Neom’s starchitects and planners have hired designers to reproduce the cyberpunk aesthetics of the dystopian science-fiction films with which bin Salman is reportedly obsessed. He has even boasted that ‘Neom is a name from outer space’. The planned city’s entertainment centres reference the cyberpunk desert festivals that California tech bros like to attend. A high-end leisure company called Habitas is planning three hotels in Neom that will combine ‘the luxury of hotel brands like Aman with the sensibility of the Burning Man festival’ to the tune of $700 a night.

But Neom’s other online campaign – this one via TikTok – has a more home-made feel. These videos are produced by social media influencers, almost always women with flowing locks, luscious Botoxed lips and translucent clothing billowing as they walk. The first of this TikTok series portrays these lovely women – usually of indeterminate origin, with multiple flags in their bios – wearing floppy hats and very large sunglasses and wheeling their suitcases through an airport. They then frolic on the Saudi sand or on Astroturf lawns, drinking soda from large cups bearing the names of fast-food chains. The tourist-cum-influencer is these days a specific target of Saudi policy. People who were previously denied entry into the country – academics, writers, journalists, travellers – are now welcomed on the condition that they produce laudatory social media content.

One of bin Salman’s many hagiographers in the US press describes Neom as a promise to those ‘parts of the kingdom that cling to their old ways’ that ‘the future is everything they are not’. But Neom is best understood as an iteration of Saudi Arabia’s familiar undemocratic and exploitative mechanisms, albeit now on steroids. Satellite and drone footage

of the workers' quarters on the construction site that may become Neom reveals dramatically segregated housing. The apartment blocks for ordinary workers look like barracks. The clerical and administrative workers have prefab bungalows with bare-bones amenities. There are also images of multitstorey pastel-coloured villas hidden behind high walls, presumably for the managers. Mohammed bin Salman's new palace – and a berth for his superyacht – were constructed long before any other buildings on the site.

In the early years of Aramco, the housing compounds set up in the opposite corner of the Arabian Peninsula by the company – which was then owned by Standard Oil and Texaco – included American suburban-style housing for employees from the United States, barracks for European workers and ramshackle lean-tos for Saudi workers. The construction of these compounds entailed the violent clearance of the communities already living there. Similarly, in early 2020, the electricity to Tabuk towns, now earmarked for Neom, was switched off and their schools were shuttered in order to force the residents out. Security forces killed one member of the Howeitat tribe, Abdulrahim al-Huwaiti, who allegedly barricaded himself in his house and threw Molotov cocktails at the security forces, an account denied by eyewitnesses. Eight members of the Howeitat clan were arrested shortly thereafter, six were convicted of terrorism offences, and three of Abdulrahim's brothers were sentenced to death, all for resisting their eviction. Their town of Al-Khuraybah was razed shortly thereafter.

But Neom is part of another malign trend in capital's march across the globe. In the last two centuries, variegated legal zones have shielded capital from taxation, regulation and public scrutiny. Free ports, special economic zones, offshore tax havens and open corporate registries have all provided a regulatory carte blanche to firms looking to escape state or transnational regulations. These legally variegated zones can help with the accumulation

of capital or to shield imperial violence from prying eyes, and sometimes both. Saudi Arabia itself boasts a number of such zones; King Abdullah Economic City, down the coast from Neom, is one such locale. It was famously called a ‘white elephant’ project in a leaked 2006 memo by a sarcastic, if perceptive, US diplomat. The city was originally planned for a population of 2 million. Five years after its inauguration, it houses a mere 10,000. Bin Salman has greater ambitions, however. He has compared Neom to a New York unencumbered by popular will or scrutiny: ‘Imagine if you are the governor of New York without having any public demands … how much would you be able to create for the companies and the private sector?’

In April 2024, Bloomberg reported that the ambitions for Neom had dwindled and only 2.4 out of the 170 kilometres of The Line were to be constructed. The population estimates were also reduced to 300,000 in ten years. The reports indicated that despite the red carpet unrolled for private capital, very little foreign direct investment had followed the starchitects to this corner of Saudi Arabia.

In *Joyriding in Riyadh* (2014), anthropologist Pascal Ménoret’s virtuoso account of urban planning in Saudi Arabia, he tells the story of how successive Saudi kings endowed the thousands of princes with ‘political and economic fiefdoms’, very often large tracts of land that sat empty until encroaching urbanisation transformed them into valuable properties for sale. Greek urban planner Constantinos A. Doxiadis’s 1968 master plans for Riyadh’s expansion were titled ‘City of the Future’, and if the city of the future is simply an agglomeration of exurbs, he wasn’t wrong. As rural and foreign migrants came in to work on the construction bonanza in Riyadh the city expanded in all directions. An unintended consequence of this vast

penumbra of roads to nowhere was the emergence of joyriding by politically and socially alienated youth.

If even the reduced version of Neom eventually rises out of the coastal wadis of Tabuk, it will be a successor to Riyadh in more ways than one. Bin Salman has accumulated vast riches from the enclosure of lands and expropriation of properties in Saudi Arabia. His city of the future is, like the country's past future cities, an occasion for handing out favours, exploiting migrant workers, deepening social inequalities and feeding the frenzy around construction projects. The prince has already declared that Neom is not a city for Saudis but a hub – albeit, at 2.4 kilometres, a quite small hub – for the world. It remains to be seen how the inhabitants of Arabia – citizens or not – will lay claim to this familiar future.

WOKE CAPITAL: PRIVATE EQUITY AND DEVELOPMENTAL POLITICS

When the conspiracy theorists, diehard Trumpers and (white) natalists gathered in London in May 2023 for the National Conservatism Conference, one fascinating sideshow was the brawl over the carcass of Margaret Thatcher. A few weeks before the event, Ryan Bourne, an economist at the libertarian Cato Institute, had warned those attending the conference against ‘importing the worst American narratives into British politics’ and in the process abandoning Thatcher’s free-market legacies. On the opening day, the conference director, Christopher DeMuth, responded that he had ‘communed’ with the ghost of the Iron Lady, who had let him know that she was ‘on board’ with the circus of flag, family and nation. When the proceedings began, the agenda was dominated by wokeness. Woke schools and woke universities, of course, but also the new nemesis: ‘woke capital’.

Woke capital includes all manner of sinners: globalist financiers, gay-friendly lifestyle and entertainment businesses, and ESG (environmental, social and governance) investors, the bugbears of manly mega-truck-driving American men. Woke capitalists’ internationalism is suspicious and effete, their cosmopolitanism is a danger to Christian nationalism, and their efforts to wean the world from fossil fuels only delay the end times (even if their turning away from fossil fuels is just so they can turn land and ocean into asset classes, and make more money from renewables, impossible carbon-capture ventures and spurious carbon credit schemes). The epitome of woke

capital was for a time Arif Naqvi, a private equity multimillionaire and ardent global free marketeer who used to hang out with Bill Clinton and once sat on the stage at Davos with Bill Gates and the head of the World Health Organization. He was on the board of the Business and Sustainable Development Commission and the United Nations Global Compact, whose motto is ‘business as a force for good’. He is a Pakistani Muslim who can recite long passages of Shakespeare from memory and has been feted at New York galas.

The son of a minor industrialist in Karachi, Naqvi went to a British-style grammar school and graduated from the London School of Economics. He made his way to Dubai via jobs at the now defunct Arthur Andersen and the giant Saudi investment enterprise Olayan. In Dubai, he wheeled and dealed his way into the takeover of a former imperial trading company called Inchcape, which by the 1990s was involved in shipping, logistics, the automotive trade and other services. A few years later, Naqvi split up the Inchcape subsidiaries he had bought and sold them for a profit of $70 million. He used the cash to launch Abraaj, a private equity firm, in 2002. Private equity is an area of asset management which often targets companies that are in trouble, takes them private and either turns them around or sells them for parts. Private equity firms use the companies they own as collateral for loans, which they pay back with the profit from selling off the companies – a strategy perfected in the 1980s by such outfits as KKR (Kohlberg Kravis Roberts), Carlyle and Blackstone.

Abraaj was soon a major player in parts of the world that are problematically described as ‘emerging’ or ‘frontier’ markets. It bought out Aramex (a Jordanian courier firm), Karachi Electric (a utility company) and Spinneys, which operates supermarkets across the Arab world. Abraaj was unscathed by the global economic crisis of 2008 because, as the magazine

Institutional Investor declared, the Middle East was awash in ‘cheap credit for leveraged buyouts’. Naqvi, the ‘Gulf’s Buyout King’, hobnobbed with presidents, prime ministers and business celebrities, and spoke at investment conferences held by the UN, the World Bank and the World Economic Forum. His firm raised billions from investors, including development finance agencies like the United States’ Overseas Private Investment Corporation (OPIC) and Britain’s Colonial Development Corporation (CDC) Group. These public funds allowed Naqvi to shift gear, becoming an ‘impact investor’ – a self-appointed capitalist saviour of the wretched of the earth – and being invited to sit on the boards of various councils and commissions for CEOs interested in sustainable development.

In 2012, Naqvi paid half a million dollars in sponsorship to a Clinton Global Initiative event in New York and appeared on a panel moderated by the managing editor of *Time* magazine. He argued, according to *Time*’s account, that in an ‘increasingly interconnected world, one in which thriving communities become thriving markets’, sustainable development could be highly profitable. *Time*’s piece about the event appeared under the headline ‘Can Companies Be Good and Do Well?’ A few days later, Bill Clinton acknowledged Naqvi’s largesse by speaking to Abraaj investors behind closed doors. At its peak, Abraaj controlled $14 billion in assets and had plans to build or buy private hospitals and medical care facilities across Africa and Asia: the healthcare sector is a goldmine for investors. Naqvi owned homes in Pakistan, Oxfordshire, London, the Côte d’Azur and Dubai. He travelled in private jets and holidayed on his teak-panelled superyacht. He bought a villa in St Kitts and Nevis and a golden passport to go with it.

But then came the downfall. In late 2017, a fund manager at the Bill & Melinda Gates Foundation started asking questions about where the

foundation's $100 million investment in Abraaj's health fund had gone: the promised projects had failed to materialise. Insiders leaked emails and financial documents to Simon Clark and Will Louch at the *Wall Street Journal*, who started to publish evidence of malfeasance. US federal prosecutors brought fraud charges against Naqvi, and in April 2019 he was arrested on disembarking from a plane in London. He paid £15 million in bail and was electronically tagged and placed under house arrest in his flat in a mansion block in South Kensington, where he began fighting extradition to the US. He was forced to sell his estate in Oxfordshire, where between 2010 and 2012 he held cricket tournaments to raise campaign funds for Imran Khan. He was tried in absentia in the UAE and sentenced to three years' imprisonment for his role in the collapse of Abraaj, and for writing cheques he couldn't cover. In March 2023, the High Court ruled that he could be extradited to the US to stand trial for fraud and money laundering.

There are two different ways in which Naqvi's story is told in mainstream Anglophone accounts: either as a tale of a rags-to-riches confidence trickster or as a hero of development, wronged by his enemies and caught in the gears of global enmities. In the first telling Naqvi is often portrayed as an Orientalist caricature: wily, corrupt and mercurial, given to emotional outbursts, but charming and clever. These accounts admire his acumen in picking the right time to buy companies and his ability to cut costs to the bone. Abraaj's buyout of Karachi Electric and his axing of hundreds of its employees in the first category of stories is evidence of efficient management, rather than of a dismantling of the social compact that binds a public utility company to its workers and consumers. Naqvi's crime is that he hoodwinked honest investors – most of them from the US or Europe,

places where of course corruption doesn't exist. Naqvi's investment in health infrastructure in Africa is to be admired because, after all, healthcare is not a basic right but a profit-making commodity. The problem with Naqvi is that he inflated the value of Abraaj's assets and spent the funds on a lavish lifestyle and ego-driven projects.

Others have been more sympathetic to Naqvi, including Brian Brivati, whose book *Icarus* (2021) describes him as a virtuous man brought down by hubris and the machinations of his enemies. Brivati's previous books include *The End of Decline* (2007), as well as biographies of the Labour Party eminences Lord Goodman and Hugh Gaitskell. He met Naqvi's family just after his arrest in London. The pivot of the book is Abraaj's planned sale of Karachi Electric to a Chinese company, which Brivati contends made Naqvi a danger to US national security interests. Brivati thinks that the hard-right media outlets that portrayed Naqvi as an example of the duplicity of 'woke capital' are part of a conspiracy against a Pakistani man made good. He suggests that the US legal authorities were doing the bidding of private equity firms that wanted to pick up the remnants of Abraaj's funds. Brivati, who in a book on Afghanistan fervently endorsed Tony Blair's liberal military interventionism, defends Naqvi's so-called impact investments and his version of liberal interventionism: growth-led economic development. *Icarus* is dedicated to 'the thousands around the world who did not benefit from impact investment because Abraaj was taken down'.

The concept of economic development as a planned activity is a little more than 100 years old. In 1920, Sun Yat-sen published a treatise on *The International Development of China*. He offered a plan for 'the vast resources of China to be developed internationally under a socialistic

scheme, for the good of the world in general and the Chinese people in particular'. He called for foreign investment in ports, roads, canals, railways, telecommunications infrastructure, steel and cement works and agricultural and mineral resources. The profits would repay capital investments, increase wages, improve production technology and reduce the cost of commodities and public services for Chinese consumers. This regulated marriage between local socialism and global capitalism 'would create an unlimited market for the whole world'.

In 1922, three years after completing his term as the colonial governor of Nigeria, Frederick Lugard published his manual of indirect colonial rule, *The Dual Mandate in British Tropical Africa*. Lugard included chapters on economic development, approvingly quoting a former secretary of state for the colonies:

> In a circular dispatch to colonial governors, Lord Milner observed that 'it is more than ever necessary that the economic resources of the Empire should be developed to the utmost,' in view of the depletion of raw materials, and the financial burdens left by the war. Much of the existing deficiency, he adds, could be produced by the tropical colonies if their great potential resources were adequately developed.

For Lugard and other colonial administrators, 'development' meant extracting the colonies' agricultural and mineral resources. British policy prioritised the building of infrastructure – including railways as far afield as Uganda and Palestine – to carry these materials to the metropole in order to supply British industry. Winston Churchill, who succeeded Milner as secretary of state for the colonies, wrote in 1921 that it was a precondition of development aid 'that any plant or materials required should be ordered'

from Britain itself. The increased demand for British products would ‘develop the markets’ and increase the purchasing power of the colonies, which would buy still more goods from Britain. In other words, the colonies were not only producers of raw materials but markets for British goods and guarantors of jobs in the metropole, at a time when the Russian Revolution was seducing workers in western Europe.

British businesses saw expanding markets in the colonies as a great source of profit. Among the private interests lobbying the government for better terms of trade with the colonies – i.e. buying cheap and selling dear – were steelworks, engineering firms and producers of consumer goods. In the 1930s, the managing director of Unilever – which had acquired several major British trading companies in West Africa – wrote to the Colonial Office complaining that his firm wasn’t being given preferential access to colonial markets. The government obliged: in 1934 an inter-departmental committee in Westminster decided that, in order to prevent them competing with industry at home, ‘colonial industries should not be “artificially” encouraged’.

To the victorious governments of the Second World War, as they set about creating the world’s new economic order, anti-colonial struggles in the Global South were seen as inseparable from the communist threat. In Europe, the declining empires sought to bind their colonies more closely to the metropole by lending them francs and sterling. In 1946, *France established the Fonds d’investissement pour le développement économique et social des territoires d’outre-mer* (FIDES), and two years later Britain founded its equivalent, the Colonial Development Corporation (after a series of name changes and mergers, the CDC became British International Investment in 2022). In the US, President Truman’s Point Four Program of 1949 was designed to challenge the ‘false doctrines’ of communism in the

Third World. John F. Kennedy set up the US Agency for International Aid (USAID) in 1961 and in 1971 it was joined by the Overseas Private Investment Corporation (which was absorbed into the Development Finance Corporation in 2019). In the eye of this hurricane of acronyms, two dogmas held fast: economic growth was the holy grail, and foreign investment and international lending were the path to growth.

They tried valiantly, but radical political figures in the newly decolonised states found it difficult to challenge the hegemony of these global institutions and their mantra of growth-as-development. In *Worldmaking After Empire* (2019), Adom Getachew describes the anti-colonial political and economic experiments suggested by eminent thinkers of Africa and the Caribbean, from C. L. R. James, George Padmore and Eric Williams of Trinidad to Ghana's Kwame Nkrumah, Julius Nyerere of Tanzania and Michael Manley of Jamaica. The New International Economic Order (NIEO), as well as the 1974 charter of economic rights put forward by the UN General Assembly, called for greater economic and political self-reliance, 'permanent sovereignty of every state over its natural resources', global redistribution of wealth and the alleviation of domestic inequality.

The development industry quickly armoured itself against NIEO and the threat of nationalisation. Arbitration tribunals and the World Bank's Convention on the Settlement of Investment Disputes guaranteed the primacy of foreign investors over the newly independent states. It was the same process that saw oil majors and the US government leverage commercial arbitration to stop Aristotle Onassis and the Saudi government from withdrawing Aramco's monopoly over Saudi oil in 1954. International law overrode local legislation. The conditions of IMF and World Bank loans and rating agencies' country credit ratings disciplined states that didn't obey austerity measures. Intellectual property regimes extracted and

patented local knowledge and products from the Global South, impeding the reciprocal transfer of scientific and technological knowledge that graduates like Abdullah Turayqi had dreamed of when they returned to their newly sovereign home countries. Public–private partnerships used state and multilateral subsidies to enrich private firms. While technocrats and economists fought over the details of development plans, security and intelligence agencies sanctioned, deposed or assassinated politicians who stood in the way of capital, and co-opted, rewarded and protected more malleable figures who in turn protected European and US interests. But for every Persian Gulf potentate or Monroe Doctrine satrap on whom the US lavished arms and accolades, there was a Mohammad Mosaddegh or Jacobo Árbenz or Salvador Allende who dared to threaten Euro-American corporations' God-given right to their countries' resources.

From the start, the development finance industry resembled the US military: overlapping national, regional and international organisations overseen by fractious bureaucrats, a sprawling domain of operations, ever more elaborate geopolitical and geoeconomic justifications for intervention, and an enthusiasm for impenetrable acronyms. Liberal counterinsurgency doctrine incorporated developmental policies in France's war in Algeria, Britain's in Malaya and the US's in Vietnam. The mantra of every general engaged in guerrilla warfare in Asia, Africa and Latin America became 'build roads, schools and markets', not just to civilise and integrate but to be used for military and intelligence purposes. The term 'counterinsurgency' was coined by Kennedy's national security adviser, Walt Rostow, whose paean to economic development, *The Stages of Economic Growth* (1960), was subtitled 'A Non-Communist Manifesto'. Rostow was also instrumental in the creation of USAID. Like the military,

the development industry has been irresistibly drawn to private firms such as McKinsey that boast efficient solutions which skirt public scrutiny and the plodding work of securing popular consent.

These days, the debate about the balance of private and public investment in the Global South has been settled in favour of private capital. Privately owned mobile and internet networks, potable water and sewerage, utilities companies, mobile payment systems, financial infrastructure, hospitals and clinics all operate alongside, and increasingly replace, decaying public services. Many of these businesses secure state and international subsidies through development finance agencies, and in the rare cases where their profits are not expatriated they enrich local businessmen with connections to international networks. Many of these businessmen have MBAs from European or North American business schools, and have done stints at management consulting firms or investment banks in the world's financial and corporate capitals. Where the need is greatest, private capital is invariably most evident: 73 per cent of infrastructure projects in Africa are sponsored by foreign investors. Public–private partnerships have become the magic formula touted by the World Bank, IMF and development finance agencies, even though they involve risk being passed to the public while profits are privatised. Everywhere, private equity firms and asset managers have devoured the public infrastructure on which our lives depend, in service of private profit.

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In June 2009, President Obama gave a speech at Cairo University supposedly intended 'to seek a new beginning between the United States and Muslims … one based upon mutual interest and mutual respect, and one based upon the truth that America and Islam are not exclusive and need

not be in competition'. Obama praised the US's work to eradicate polio alongside the Organisation of the Islamic Conference. While Obama was speaking, a CIA spy disguised as a vaccinator was tracking Osama bin Laden in Abbottabad. After the news came out, dozens of vaccination workers were killed around the world, and in Pakistan polio vaccination rates plummeted. Obama touted the new US policies in the Muslim world: online learning to connect students with education abroad; a Summit on Entrepreneurship; centres of scientific excellence in Africa, the Middle East and South East Asia tied to US universities; and 'a new fund to support technological development in Muslim-majority countries, and to help transfer ideas to the marketplace so they can create more jobs'. Finance and capital would address global inequality, rectify years of US violence, provide a rosier future for Muslim youth and bring peace to the Middle East.

Arif Naqvi was one of the people who saw all this as an opportunity. With help from the World Bank and the development banks of the US and Europe, he set up a $500 million fund, a branch of which, Palestine Growth Capital, operated – with Israeli approval – out of Ramallah. I have only found one SME (yet another development acronym: small and medium-sized enterprises) that benefited from Abraaj funds: a farm in Jericho, operated by the well-known and affluent Nusseibeh family, which exported herbs grown by Palestinian women. The Palestine growth fund was the kind of thing development wonks love: an innocuous agricultural programme that was hailed as a 'bridge-building exercise' by Israel, and which supposedly empowered women.

Naqvi was widely praised for this, even though by 2012 Abraaj had wound down its involvement in the fund. The next year he was awarded an Oslo Business for Peace prize (Norway takes great pride in its sponsorship

of the ‘peace’ accords of 1993–5 between Israel and the Palestine Liberation Organization). The committee of Nobel laureates who selected Naqvi included Muhammad Yunus, whose much-hyped microcredit scheme had mired poor South Asian farmers and especially women in debt. At a 2014 gala dinner in New York, Edgar Bronfman, the heir to the Seagram fortune, introduced Naqvi by saying, ‘Arif is a man who has done very well, but knows that doing well means doing good’, and compared him to a previous generation’s ‘great philanthropists’.

When Abraaj pulled out of the Palestine fund, the Quartet on the Middle East took over its operation. The Quartet, set up during the Second Intifada in 2002, is composed of representatives from the UN, US, EU and Russia. Its mandate is ‘to increase Palestinian economic and institutional development and empowerment, as a support towards achieving a two-state solution’ and its first envoy was a former head of the World Bank, James Wolfensohn, who stepped down in 2006, after less than a year, frustrated by the Bush administration’s intrigues against him. In 2007 he was succeeded by Blair, who during his time as prime minister had financed more public–private partnerships, at home and abroad, than any other OECD country.

Blair’s tenure as Middle East envoy was memorable for being entirely ineffectual, for his closeness to and passionate defence of successive Israeli governments, and for his varied and extensive Middle East business connections. When he stepped down in 2015 he was replaced by Kito de Boer, a former managing director of McKinsey in the Middle East. De Boer had befriended and mentored Naqvi during his early years in Dubai and in 2002 had encouraged him to start Abraaj with his profits from the sale of Inchcape. De Boer lasted as envoy for two years before becoming a managing partner at Abraaj, just before the firm went up in flames.

GROWING PAINS: BELT AND ROAD INITIATIVE AND ITS RIVALS

In a short story called ‘The Chinese Road’ written in the 1970s by the Yemeni-Ethiopian Mohammad Abdul-Wali, a Yemeni man befriends a Chinese construction worker on the new road from the port of Hodeida on the Red Sea, ‘cutting through the mountain’, to the capital, Sanaa, more than 200 kilometres away. Abdul-Wali describes the competent and friendly Chinese labourers who live in tents with the Yemenis. They all learn Arabic, unlike an earlier group of foreigners: the British, sweaty and florid, with their colony in Aden, who remained aloof from the locals and departed ‘leaving nothing behind but the hatred of [the] people’. The Chinese construction workers, by contrast, leave a lasting legacy.

The completion of the first paved road in Yemen in 1961 was commemorated in a series of stamps that also celebrated the building of a modern port in Hodeida with the help of Soviet engineers. By that point 1,100 Chinese construction workers and engineers were building roads in Yemen. Work on the Sanaa–Hodeida road had begun in 1959, the same year China started blasting through the Himalayas to build the Karakoram Highway to Pakistan. In 1967, China completed the sky-high ‘friendship road’ between Lhasa and Kathmandu, and between 1970 and 1975 it built a railway between Tanzania and Zambia. Chinese railway experts were remembered respectfully by their local counterparts for passing on their skills.

These postcolonial Chinese construction programmes were intended to be different from the European schemes of the preceding decades, which were launched by colonial powers to enable the transportation of extracted raw materials. As the Guyanese historian Walter Rodney wrote in *How Europe Underdeveloped Africa* (1972),

> roads and railways were not constructed in the colonial period so that Africans could visit their friends. More important still, they were not laid down to facilitate internal trade in African commodities. There were no roads connecting different colonies and different parts of the same colony in a manner that made sense with regard to Africa's needs and development. All roads and railways led down to the sea.

In the exuberant but brief period immediately after decolonisation, most postcolonial states looked to the Soviet Union or China to help with industrialisation and infrastructure, often trying to play these countries off against the US and Europe in order to secure better deals with fewer strings attached. At the height of the Cold War, Soviet and Chinese aid led to the construction of hydroelectric dams, steel mills, cement factories, ports and airports, as well as road and rail networks across Asia and Africa. There were more direct forms of aid too. After the Bandung Conference's call in 1955 for Afro-Asian solidarity, China granted $4.7 million in hard currency to Egypt just as Britain, France and Israel were attacking it over the Suez Canal. China extended credit to a number of recently independent African states – Ghana, Mali, Tanzania, Kenya, Guinea – and gave millions to Nepal, Ceylon (soon to become Sri Lanka), Indonesia and Cambodia. It also provided military aid and armaments to anti-colonial guerrilla groups across Asia, Africa and Latin America.

At the same time, the US Army Corps of Engineers was building roads, communication systems, airports and other infrastructure in Libya, Turkey, Iran, Saudi Arabia and Pakistan. As we have seen, development in the post-war period was always designed to meet US military and strategic needs, often connecting US bases to major transportation facilities. In the 1970s I lived in Mashhad in northern Iran, in a neighbourhood next to the recently opened Cento Road. The road was funded by the Central Treaty Organization, formed in 1955 and modelled after NATO. Its founding members were Turkey, Iran, Iraq (before the 1958 revolutionary coup there), Pakistan and the UK, with the US pulling the strings in the hope of preventing southward Soviet expansion. The US was happy to fund transport routes because, as the acting chairman of the Joint Chiefs of Staff, Curtis LeMay, put it in 1962, ‘inadequacies of road and rail facilities in Iran’ limited the ability of the US military to travel easily near Iran’s border with the Soviet Union. We understood, as other collateral beneficiaries of such roads did, that the US never built a road unless its forces might one day travel along it.

There is a temptation in Washington policy cliques to see China’s Belt and Road Initiative as a renewal of Cold War politics. The BRI, which was launched with great fanfare by Xi Jinping in 2013, has two components. On land, multiple train routes are planned to cross the Eurasian land mass via Central Asia, Russia and Iran, with termini in Singapore, Isfahan and Budapest, from where the European branch would connect to the railways of western Europe. The maritime branch wraps around South East and South Asia and from there extends to East Africa or through the Suez Canal to the Mediterranean.

The numerous road, rail, port and airport projects that form the spine of these new trade routes are certainly strategic vectors of alliance like their

mid-twentieth-century counterparts, but there is much less of a sense of South–South solidarity that emerged out of Bandung, and more of a geoeconomic calculation. The China of the 1950s and 1960s was very different from the China of the twenty-first century. In 1959, when work began on the Karakoram and Sanaa–Hodeida highways, China had a GDP of $55 billion and was in the throes of famine. In 2013, when the BRI was announced (initially under the name One Belt, One Road), its GDP approached $9.5 trillion. In real terms, the Chinese economy grew twentyfold over that half-century.

After China opened up to foreign direct investment in the 1970s, first from Japan and later from Europe and North America, it quickly became the world's factory. In the last decade of the twentieth century, numerous new manufacturing centres grew up along its coasts. Its ports expanded in number and capacity to receive raw materials – coal, oil, ore, bauxite, copper – from all over the globe, and to dispatch in turn huge container ships laden with manufactured goods. By the early 2000s, Chinese ports dominated every top-twenty maritime list.

China's response to the global crisis of capital in 2008 was a massive stimulus programme. Its central planners encouraged the movement of capital inland and used the state-owned banking system to cultivate manufacturing centres along China's long land borders with South East, South and Central Asian states. They also invested in extensive land transport infrastructures, accumulating expertise and manufacturing capacity in railway technologies, which are now being deployed to build the rail components of the BRI. This alternation between mobile capital (loans, investments and other forms of finance) and its immobilisation in infrastructure – a 'spatial fix', in the words of the geographer David Harvey

– is one progenitor of Xi's grand initiative. China's treatment by the US is another.

In an article for *Foreign Policy* in October 2011, Obama's then secretary of state, Hillary Clinton, announced the birth of 'America's Pacific Century', boasting that the Asia-Pacific region was 'eager for our leadership and our business'. Although the Clinton manifesto made gestures to allay China's fear of a new Cold War, only a few months later the Pentagon issued Defense Strategic Guidance which included a 'pivot to Asia'. To the jubilation of armchair and actual generals, the strategy document declared the end of the boots-on-the-ground counterinsurgency era and warned of 'the growth of China's military power'. The document's familiar jargon – it called for 'credible deterrence' and the need to 'project power despite anti-access/area denial challenges' – was followed up with action in the region: new military exercises with Japan, the decision to base US Marines in Australia, arms sales to the Philippines and a range of other activities. All this built on the Clinton and Bush administrations' placement of additional naval and air weapons systems in Japan and Guam, the deployment of another aircraft carrier to the Pacific and the construction of a naval base in Singapore.

Trump's trade wars against China and his unabashedly racist response to Covid-19 showed a US itching for a revival of Cold War rivalries. In his first days in office Biden declared that the term 'China virus' would be expunged from federal documents, but, while criticising Trump's approach, Biden's new secretary of state, Antony Blinken, said that the former president 'was right in taking a tougher approach to China'. Biden's secretary of commerce, Gina Raimondo, said that she would continue Trump's policy, using 'the full toolkit at my disposal … to protect

Americans and our network from Chinese interference'. Such attitudes have become firmly entrenched among US policymakers.

Under Biden, the US has poured huge amounts of money and effort into various initiatives to challenge the BRI: I2U2, an intelligence- and technology-sharing pact between Israel, India, the United States and the UAE, forged after the Abraham Accords, as well as the Indian Middle East Economic Corridor (IMEC) which is meant to compete with the China–Pakistan Economic Corridor (CPEC) on land and with the maritime road from China at sea. The ports and other transportation infrastructures that lie between the Pacific and Atlantic are up for grabs in this geoeconomic competition. These ventures bring financial and logistical know-how from India and the UAE together with the surveillance and kinetic technologies Israel has 'battle-tested' on Palestinian bodies, and gives it all the solidity and authority that unconditional US support brings.

Think-tankers in Washington often portray the US as a well-meaning, bumbling giant whose best efforts are undermined by it being too nice, too concerned with democratic institutions, arriving too late on the scene in places like Pakistan, not understanding the locals and not spending enough dollars to compete properly with China. They see China's rise as a diabolical threat to US hegemony, even as they portray Chinese leaders as too incompetent and their Asian clients as too venal to endanger US ambitions in these contested spaces. One book authored by a fellow of a Washington DC think tank, the Center for Strategic and International Studies (CSIS), contends that it was a lack of principles and foresight on the part of Djiboutian politicians that led them in 2018 to invite the Chinese to take over the container terminal of Doraleh, after the Djiboutian government had seized control of it from the Dubai-based company DP World. There is nothing here about DP World's predatory practices in

Indian Ocean ports, which resulted, for example, in Yemen buying back the concession for the port of Aden (only for the port to be decimated by the Saudi–Emirati coalition's war on Yemen). The same think-tanker portrays China's expansion in Piraeus as an arrival of Asian hordes at the gates of Europe, but doesn't tell us that the EU's forcible privatisation of Greek state enterprises in the wake of the financial crisis offered the port on a platter to China's Cosco Shipping. (During the same fire sale, airports on many Greek islands were sold to the German airport management company Fraport AG.)

Belt and Road investments are leading to the development of infrastructure long denied to African and Asian countries. China lends money on favourable terms to its allies, including states that otherwise fail to secure such loans as a result of unforgiving US sanctions. As well as investing in roads, railways and ports, China now manufactures technologies – especially in the field of telecommunications – that challenge US and European hegemony on the global market. Its cheaper products are easier for countries of the Global South to afford. And China's 'no interference' policy means that it has largely avoided the crude regime-change politics emanating from Washington; its military expenditure is still only a third of America's, and much lower still as a percentage of GDP. China is now at the centre of global capitalism. No longer economically peripheral, and with no pretence of being a communist state, China uses its BRI projects to consolidate and expand capitalism 'with Chinese characteristics'.

Data from Boston University's Global Development Policy Center show that between 2008 and 2019, China extended overseas development credit worth $462 billion, only slightly less than the $467 billion provided by the World Bank in the same period. The money advanced by the China Development Bank and the Export Import Bank of China reached a peak in

2016, half of which was spent on infrastructure projects. Ten countries – including Venezuela, Pakistan, Russia, Angola, Brazil, Ecuador and Iran – received the lion's share of the loans. The terms under which these loans have been offered, and their economic effects, have differed from place to place. To finance development in the Pakistani port of Gwadar, for example, China offered loans at zero interest, perhaps because of Pakistan's strategic importance. In Sri Lanka, it signed a ninety-nine-year lease on the port of Hambantota, in which it has a 70 per cent stake. Many in Washington and beyond regard the Hambantota concession as a coercive debt–equity swap: China gets control of the port in return for forgiving some of Sri Lanka's debt. But the story is more complicated.

In 2016, Sri Lanka owed financiers $65 billion, $8 billion of which was owed to China. But 75 per cent of the debt was in government bonds bought up primarily by funds in the US, and much of that debt was accrued not to build infrastructure but to finance the counterinsurgency war against the Tamil Tigers. Ports, airports and other facilities that were built were the vanity projects of the then president, Mahinda Rajapaksa: they were badly situated, poorly designed and overpriced. The money from China intended for the port concession went instead to service interest payments. Rajapaksa, who was booted out of office largely because of the strength of popular feeling against the port, found his way back to power as prime minister in his brother Gotabaya's administration. The reduction in Chinese development funding after 2016 was perhaps influenced by its embarrassment over Sri Lanka.

Leaked documents show that, in 2013, Kenya used the port of Mombasa as security on loans taken out with the Export Import Bank of China to finance the construction of a railway from Mombasa to Nairobi, with a branch – some of it as yet unbuilt – to the Rift Valley and the Ugandan

border, a project that involved murky deals between different factions of the Kenyan elite. The loans Kenya has received from China amount to nearly $5 billion. Given that the railway is yet to turn a profit, Kenya may be forced to cede the port to China. More likely, China will renegotiate the debt, extending the repayment schedule.

Transport infrastructure has historically served to bind fractious peripheral territories to the centre. America's Pacific Railroad, built in the 1860s, allowed businesses protected by US government troops to expand into indigenous territories in the west. Where infrastructure goes, commerce follows – but so, often, does war. The China–Pakistan Economic Corridor, which terminates at Gwadar on the Gulf of Oman, crosses Balochistan, where the Pakistani state has for decades disappeared or assassinated activists and waged a brutal war of pacification against those fighting for the region's autonomy. In Myanmar, the BRI passes through Shan and Rakhine states, where counterinsurgency measures have led to mass killings and the expulsion of minority communities. In China itself, the BRI train routes across Central Asia pass through Xinjiang, where millions of Uighurs are interned in re-education camps and forced to work in textile and electronics factories.

Although China has a large number of citizens working overseas, it has just one military base beyond its own periphery, in Djibouti. (The former French colony also hosts military personnel from France, the US, Italy, Germany, Japan, Saudi Arabia and the UAE.) China has relied on private security firms to protect personnel and facilities in Africa and Asia. Chinese logistics firms in East Africa or South East Asia can secure the assistance of, among others, the Frontier Services Group, a Hong Kong-based company backed by the Chinese state-owned CITIC Group, with offices in Kenya and Dubai. The founder and chairman of Frontier Services is Erik

Prince, whose firm of mercenaries, Blackwater, became notorious for killing civilians in Iraq. Frontier Services is rumoured to have set up training camps in Xinjiang and has acted for Chinese firms working in the oilfields of South Sudan and Mozambique, the jade trade in Myanmar, aviation in Kenya and coltan-mining in Congo.

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Most accounts of the BRI focus on its geopolitics or geoeconomics. But large infrastructure projects have wider ramifications: lives are affected, connections forged and knowledge circulated. Chinese workers have a long history in Africa and Asia, going back well before the postcolonial period. At the end of the nineteenth century, the British Empire relied on Chinese labour to keep many of its mines and plantations going. From the 1850s onwards, Chinese workers toiled in South African gold and diamond mines, tapped rubber and extracted tin in Malaya, harvested Cuban sugar plantations, traded and farmed in Java and Sumatra, extracted guano on islets off the coast of Peru and prospected for gold and built railroads in the US and Canada. Chinese merchants were, and still are, everywhere in the Indian Ocean basin. By the mid-twentieth century, China was spreading its engineering know-how across Asia and Africa and making its presence felt through sheer force of numbers. As Abdul-Wali wrote in ‘The Chinese Road’, many thousands of Chinese workers lived with and trained local labourers.

The Belt and Road Initiative has had a more mixed reception. Praise for its transformative effects is met by criticism of its meagre impact on local building capacity and knowledge transfer. Authorities in areas where projects are in progress often disagree with central administrations over the

implementation and efficiency of the schemes. Unless the BRI host countries have the capacity to negotiate, the percentage of local workers on many construction sites is relatively small, relationships are hierarchical, and the interactions between local and Chinese workers are often fraught. The capitalist system of labour management has travelled along the Belt and Road. In Zambia, Kenya and Tanzania, Chinese administrators manage casualised and precarious African labour in mines and on construction projects, with workers' collective bargaining rights recognised only in cases where mass protests have eventually led to state intervention. Decisions made by lower courts in favour of local workers have often been overruled by central governments. The lack of transparency in contracting and employment on the Mombasa–Nairobi railway project has led many Kenyans to complain not only about being shut out of well-paid, skilled jobs, but also about outright racism. In many places where Chinese construction firms employ both Chinese and local workers, the Chinese have better living quarters and don't interact with the locals outside work. Something has changed since the age of anti-colonial solidarity. Trouble along the Belt and Road reflects the transition from state-led co-operation to the international public–private partnerships so characteristic of this era. The structural asymmetries of extractive capitalism are also at play here in shaping the relationship between those who work in the mines and on infrastructures and those who profit from their labour.

FIDDLING WHILE THE WORLD BURNS: IN SHARM EL-SHEIKH

COP27 in 2022 was held in the Egyptian resort town of Sharm El-Sheikh, at the tip of the arid Sinai Peninsula, just round the corner from one of the world's busiest shipping lanes. Ursula von der Leyen showed up early to make deals for the European Union. She signed a contract to buy rare minerals from Kazakhstan; made a timber deal – presented as a plan for the 'sustainable development and management' of forests – with Congo, Guyana, Mongolia, Uganda and Zambia; and bought hydrogen from Egypt and lithium and cobalt from Namibia. Egypt's minister of petroleum and mineral resources signed seven memoranda of understanding with Bechtel, Shell, General Electric and others, covering things like the development of decarbonisation technologies and feasibility studies for producing ammonia. Egypt is setting up a carbon-trade market in Africa, and Singapore was looking to buy carbon credits from Morocco (if you are a major emitter, you can buy carbon credits from a neutral emitter to offset your pollution). In side meetings, Caribbean engineers gave lessons on ways to secure funding from the Green Climate Fund and oil companies, and how to build carbon-capture and storage units.

The whole thing took place in the vast grounds of the Tonino Lamborghini convention centre. The presidency occupied the permanent buildings and most of the rest of the conference was held in temporary structures. It's ironic that a climate change conference was convened in a venue named after a gas-guzzling sports car, though for the duration of the

conference it was rebranded as the International Convention Center. It is at conferences like these that the world's powers are deciding the future of extractive capitalism. Alongside many salons named after pharaohs, there were three large halls containing the pavilions of individual countries, NGOs and transnational organisations. The most easily accessible hall included the pavilions of the host country, the EU, the US, the UK, Germany and India. It also included the vast, opulent, high-tech pavilions of Saudi Arabia, Qatar and the UAE. The UAE, who hosted COP28 in 2023, sent 1,073 delegates to Egypt, many of them non-citizens recruited for forward planning. Saudi Arabia built two geodesic domes not far from the convention centre to publicise the Saudi Green Initiative, which concentrates on 'emissions reduction, afforestation and land and sea protection'. Having recently announced the building of the 'smart city' of Neom, seventy miles away as the crow flies across the Straits of Tiran and the Red Sea, the Saudi pavilion gave a vision of an eco-future replete with robot technologies seeding forests in the desert, mechanisms to warn of oil spills and sandstorms, and alternative fuels. Despite Saudi Arabia holding a two-day forum on its green policies, it refused to commit to the 1.5°C climate change pledge.

The US sent just 136 delegates to the conference (out of a total of 35,000), but all the meetings at its pavilion were packed. Most of its delegates were senior diplomats and civil servants who were met by embassy officials when they got off their planes so they wouldn't have to mix with the hoi polloi on the shuttle buses from the airport. An official from the Department of Defense spoke about the US military's domestic and overseas disaster relief role and its efforts to reduce its carbon footprint. The US special envoy for biodiversity and water resources had a discussion with the head of the US Chamber of Commerce, who expressed gratitude to

the Biden administration for welcoming the private sector into the green game. A number of delegates representing NGOs and businesses were former US government officials. China's sixty-five delegates had a discreet corner decorated with flags, pandas and Xi Jinping's red book. Israel's pavilion, placed near the one for the US, held events on agri-tech and on 'maximizing every drop' of water, much of it drained from Palestinian aquifers into pools and farms in the settlements.

The next hall had smaller spaces allocated to delegates from a handful of European countries and many African ones. The third hall hosted the pavilions of Brazil, Australia and Malaysia and the stands for many businesses. Green capital and its blue maritime sister were all the rage. The International Chamber of Commerce adopted 'Make Climate Action Everyone's Business' as its motto. Its pavilion had comfortable meeting areas, and held events online and in situ for corporate executives from around the world. Most of the sessions I attended were dominated by businesspeople from the US.

Ikea sponsored a pavilion, and the names PwC, Deloitte and EY appeared on lots of stalls. Nigeria displayed the logos of its partners: Agip, ExxonMobil, Shell Nigeria, Chevron, Total, Indorama petrochemicals and the Pan Ocean shipping company. Citi, 3M and Salesforce partnered with the United Nations at its main stand. JPMorgan Chase and Deutsche Bank, along with the Atlantic Council ('a nonpartisan organization that galvanizes US global leadership'), had underwritten the Resilience Hub. Representatives of ESG divisions were everywhere, talking about carbon-trading, sustainability credits and community engagement. Most of the ESG representatives were women, people of colour, or both. The business pavilions all had daily networking events and were always full of people. Where impenetrable acronyms were not used at their meetings, there was

much talk of innovation, disruption, resilience, energy security, community engagement and a ‘just transition’.

The International Chamber of Shipping sponsored a couple of well-attended talks at which the CEO of one of the world’s biggest diesel engine producers for ships and trains, a subsidiary of Volkswagen, expressed scepticism about the viability of new, more eco-friendly fuels – he preferred a slower transition via natural gas. Green financing and newfangled (and sometimes unproven) technologies were promoted ad nauseam by corporations and lobbyists. Carbon capture is the most ardently touted at the moment because it makes no demands on the actual production of CO_2 gas. The technocentric fantasy that a new invention will make it possible for us to keep burning fossil fuels is a salve for the guilt of consuming countries, and a cynical nod at whatever international treaty the world’s biggest polluters have signed.

More than 600 fossil fuel lobbyists, up to that point at any COP conference, were registered as delegates. BP’s then chief executive, Bernard Looney, and four of his colleagues attended as delegates of Mauritania’s Ministry of Petroleum, Mines and Energy. The head of the International Copper Association, a representative from a Canadian firm that still burns coal to produce electricity, and a range of energy producers held side events. Representatives of an ‘artisanal mining company’, Ford Motors and various consulting firms participated via video link. Lobbyists for agribusiness were also present. The Agriculture Innovation Mission for Climate, a joint venture between the US and UAE governments, is listed by the UN as a ‘climate champion’ despite one of its ‘knowledge partners’ being the North American Meat Institute, a major livestock industry lobbying organisation.

The biggest sticking point of the negotiations at COP27 was ‘loss and damage’: how to force the world’s industrial nations, which are also the biggest producers of greenhouse gases, to pay reparations to those who suffer most from the effects of fossil fuel use and extractive industry. Industrialised countries don’t want to accept any liability because they fear being flooded by lawsuits or, even worse, being asked to bring in more dramatic policies to curb growth, consumption and carbon production. On the Tuesday of the second week the G77 nations and China proposed to set up a global fund to pay damages, with the specifics to be negotiated at COP28. Lula’s arrival the same day – by private jet – seemed to have energised the negotiations. The next day the Brazilian pavilion was heaving with people trying to catch a glimpse of him.

Everything in Egypt seemed to carry the COP27 logo, even the headrest protectors on Egyptair’s planes – it was the official airline of COP27. Egyptian television channels had the COP27 watermark in the corner of the screen. At Cairo International Airport, a brand-new section of the domestic terminal fast-tracked international delegates to Sharm El-Sheikh. You could see all the Egyptians flying to other domestic destinations through the glass. In Sharm El-Sheikh itself, hospitality businesses were happy. They needed to make some money because Russian and Ukrainian tourists were in short supply this summer (though not entirely absent, even during the conference). But scuba-diving businesses had to shut down during the first week of the conference, probably for security reasons, and local taxi drivers weren’t too happy either, since there were numerous electric buses transporting the delegates between their hotels and the convention centre. Smaller vans ferried workers from the convention centre to their segregated cafeteria and to their residences. Hundreds of Egyptians were recruited to

act as technology assistants and guides, and they had been housed in Sharm El-Sheikh since October.

Everywhere you looked Mukhabarat (secret service) guys in spiffy black suits lurked, even in the desert outside the town. Petrol stations serving massive SUVs with tinted windows and ‘Special Security’ emblems must have been doing a roaring trade. The Mukhabarat guys were doing good business too, as they wandered around the conference centre and through the town, or sat in hotel lobbies and restaurants, glowering at human rights activists. They were present whenever anyone dared to speak of Alaa Abd El-Fattah, a British-Egyptian activist held in the Wadi El-Natrun prison who had been on hunger strike for more than 200 days and had stopped drinking water during the first week of COP27. British officials have made concerned noises about his detention, but not enough to make the Egyptian government feel it has to release him. Their inaction is reminiscent of the Italian response to the murder of Giulio Regeni in 2016 by Egyptian security forces: international trade takes precedence over the lives of citizens. The one unequivocally heartening event at COP27 was the People’s Plenary, held on the penultimate day, during which civil society activists from around the world chanted ‘Free Alaa’ and – his watchword – ‘We have not been defeated.’ What will ultimately determine Abd El-Fattah’s fate, and the direction and ends of extractive industries, and the future of the planet itself, will be popular politics, not formal meetings at beachside resorts.

THE WORLD BURNS: THE RED SEA ATTACKS

On 19 November 2023, a helicopter operated by the Houthi-controlled Yemeni Navy hovered over the vehicle carrier *Galaxy Leader*, which was passing through the Red Sea south of Jeddah. Masked and armed men rappelled down to the deck, raised Yemeni and Palestinian flags and directed the ship to the nearby port of Hodeida. *Galaxy Leader* has remained there ever since, becoming a selfie hotspot and a backdrop for TikTok videos by Yemeni influencers. The ship's crew, most of whom are from the Philippines or eastern Europe, are being detained in Yemen; there's no indication when they might be released. Israel claimed that *Galaxy Leader* was 'British-owned and Japanese-operated', but that's not the whole story: the Japanese shipping company Nippon Yusen chartered it from Ray Car Carriers, which is registered in the Isle of Man but owned by Rami Ungar, an Israeli billionaire. Ungar is one of Israel's biggest car importers and a friend of Israeli politicians including the then-defence minister, Yoav Gallant, who has called for a genocidal siege against the 'human animals' of Gaza.

In the weeks that followed, thirteen of the thirty-two ships targeted by the Yemeni Navy suffered a direct hit from missiles or drones, though no crew members were injured. Some shipping companies began to reroute, avoiding the Red Sea, although the journey round the Cape of Good Hope is at least ten days longer. In January 2024, the Houthi leader Mohammed Ali al-Houthi suggested that vessels with no relationship to Israel announce themselves by adding a tag to their automatic identification system (AIS).

According to the shipping journal *Lloyd's List*, sixty ships instead responded with a warning that they had armed guards on board. But Russian and Chinese vessels, which were specifically excluded from the Houthis' general warning, began to broadcast messages stating their nationality or claiming they had no connection with Israel.

Maritime insurance companies have increased the war risk premium on ships travelling through the Red Sea, from $10,000 for a $100 million cargo ship in September 2023 to $1 million by mid-January 2024. The volume of cargo passing through the Suez Canal fell by 45 per cent – the figure for container ships is much higher – with almost half of all the ships on the Asia–Europe circuit deciding to reroute. Around 10 per cent of global trade normally passes through the Red Sea, and so this drop caused problems for manufacturers in Europe and Asia and hit Egypt particularly hard since it depends on canal fees for foreign currency.

In Israel, the port of Eilat has been worst affected by the blockade. Vehicle imports (its main cargo) have more or less halted. Imports of petroleum from the UAE to Ashkelon and Haifa continue at some level. This oil supplies Israeli refineries at Haifa and Ashdod, and the excess is exported via the Mediterranean port of Ashkelon to European buyers. The blockade is also affecting Israel's energy supplies: imported coal (some from Australia, which normally uses the Red Sea route) provides around 20 per cent of the country's energy.

The most significant effect of the Houthi action on Israel, however, has been political. A few weeks after the first attack, the Malaysian government directed its port operators to stop all ships en route to Israel or owned by the Israeli shipping company Zim from docking. Since its creation by the Jewish Agency for Palestine in 1945, Zim has functioned as an arm of the state, providing cover for and collaborating with Mossad in its overseas

operations. The Houthis saw the Malaysian decision as a victory. On 18 December, Biden's secretary of defence, Lloyd Austin, announced Operation Prosperity Guardian, a naval exercise to protect shipping in the Red Sea. The Pentagon named nine other participants, including the UK, Australia, Canada, France, Italy and Spain; a further ten countries wished to remain anonymous. After the announcement, Spain, Italy and France said that their naval vessels would continue to operate in the Red Sea, but their forces would not be under US command. The number of named participants now stands at ten (not including Spain, Italy and France). This was more a show of propaganda than military might. The joint contribution of Norway and the Netherlands to the operation was a dozen officers billeted to the headquarters in Bahrain of the Combined Maritime Forces, a multilateral grouping of NATO and EU countries. Most of the ships assigned to the operation were already guarding shipments through the western Indian Ocean.

The Biden administration continued the project of 'normalisation' begun under Trump, focusing on diplomatic efforts to forge agreements between the Gulf States and Israel rather than on resolving the Palestinian question. A Biden State Department official told the *Huffington Post* that Brett McGurk, the White House co-ordinator for the Middle East and North Africa, 'consistently pushed for engagement with the Saudis' while bypassing the Palestinians. McGurk's theory of the region, a former official said, is 'very old-school, colonialist … we need to extract … what we need while minimizing the cost to ourselves and others we see as like us, in this case Israelis'.

In a speech to the Atlantic Council in February 2023, McGurk outlined his plans for the new economic and military partnership comprised of India, Israel, the UAE and the US, known as I2U2. Two commercial partners keen

to be involved are India's Adani and the UAE's Dubai Ports World. Adani, which controls ports, coal, mining, telecommunications and cement industries in India, is a crucial supporter and beneficiary of Narendra Modi's BJP. Gautam Adani's relationship with Modi dates back to the anti-Muslim pogroms of 2002, when Adani used his influence in Gujarat to rescue Modi's reputation and political ambitions. He has been well rewarded: Adani has acquired major ports and airports as well as government funding to build national infrastructure for profit. Investigations into its corporate malfeasance have been sidelined. Just as the US-based Hindenburg Research issued a report accusing the Adani Group of a 'brazen stock manipulation and accounting fraud scheme', the Israeli press celebrated its purchase of the port of Haifa for $1.2 billion.

DP World is one of the world's largest port management and logistics firms. Its murky ownership structure is thought to include the ruling family of the emirate of Dubai. It was kicked out of Aden and Djibouti a decade ago amid charges of corruption and mismanagement of the ports under its control, but still oversees container terminals in Karachi, Cochin, Berbera, Jeddah and Ain Sokhna, and operates logistics networks and free zones throughout West Asia and East Africa.

In December 2023, Bloomberg reported plans for a land bridge between Dubai and Haifa. Cargo arriving from Asia will be loaded on to trucks in Dubai before traversing the UAE, Saudi Arabia, Jordan and Israel to arrive in Haifa. The Israeli company at the centre of these plans is Trucknet, a digital platform that connects buyers, sellers and truck drivers. Its founder, Hanan Fridman, used to work for the Israeli Defense Ministry, organising food supply logistics. The land bridge might serve the broader goal of alleviating Israel's political isolation but, as one shipping company spokesman pointed out to Bloomberg, it's 'a niche solution for shipments

specifically to Israel' and could never match the volumes of cargo transported by ship.

It is worth noting how much regional alliances have shifted over the last fifty years, even as extractive capital has continued to accumulate, global and regional equality has skyrocketed, and fossil fuels have continued to fuel industry *and* climate catastrophe. In the late 1960s, the last Zaidi king in Yemen, Muhammad al-Badr, was deposed in a Nasserist revolt around the same time that pan-Arabist and Marxist anti-colonial forces pushed Britain out of Aden. The civil war that followed in the north saw al-Badr supported by the UK and Saudi Arabia; Israeli pilots delivered weapons to royalist forces to fight Nasser's allies. Now, the Houthis, who belong to the same Zaidi community as al-Badr, are targeting British and American ships while Egypt co-ordinates with Israel. Technology is also changing the shape of the conflict. During the Iran–Iraq War in the 1980s, both parties regularly attacked ships that were lifting oil from Gulf terminals. The small distances between Iraqi and Iranian ports and the flagging of tankers made ships an easy target. Today, anyone can access AIS data showing ports of origin, transit and destination. Bills of lading too can be seen online. Attacks on ships can be targeted (barring the odd stray missile).

Since the inception of Operation Prosperity Guardian, the US and Britain have launched deadly attacks against scores of targets in Yemen, including in Sanaa and Hodeida. And as naval vessels move further into the Red Sea to intercept Houthi attacks, a few hundred nautical miles to the south in the Gulf of Aden, Somali pirates have begun operations again after a lull of several years.

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